



Testimony of  
Mr. Craig A. Conway  
President and Chief Executive Officer  
PeopleSoft, Inc.

Before the House Government Reform Subcommittee on Technology,  
Information Policy, Intergovernmental Relations and the Census

Adam H. Putnam, Chairman

On the topic of  
Federal Information Systems Integration and Consolidation: Maximizing  
Technology Investment Across Agency Boundaries

July 15, 2003

# TABLE OF CONTENTS

<b>TESTIMONY .....</b>	<b>3</b>
<b>BIOGRAPHY .....</b>	<b>5</b>
<b>CUSTOMER PROFILES .....</b>	<b>6</b>
OVERVIEW .....	6
<i>Consolidation and Integration</i> .....	11
<i>Implementation</i> .....	33
<i>Scale</i> .....	42
<i>Return on Investment (ROI)</i> .....	53

# TESTIMONY

Good morning. Thank you for giving me the opportunity to address the House Government Reform Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census.

I have been asked to share my observations on Federal Information Systems, particularly their integration with each other, and the potential for consolidation across different agencies. Let me start by observing that there are really only two reasons to deploy information technology in the first place – either to automate a repetitive organizational process or to do something that otherwise could not have been done.

The federal government has always been a good candidate for the use of information technology because it deals with a massive amount of repetitive administrative processes. However, the federal government has not historically been as successful deploying information technology as the commercial sector. Why? There have been a variety of reasons:

1. **Scale.** The sheer size of the data in the federal government has historically required very large, complex, and expensive systems.
2. **Customization.** The federal government has historically preferred to change or customize information technology rather than use commercial off the shelf solutions.
3. **Skilled people.** The type of highly skilled people required to implement these large, highly complex, highly customized solutions were very hard to find, and even harder to retain because their market value was much higher in the private sector.
4. **Procurement.** The process the federal government used to procure information technology was self-defeating. It would take at least 18 months to define the system requirements, another 18 months to solicit bids and make an award, and another 6 months to handle the vendor protests. By the end of 3-4 years, the technology had changed, and the administration may even have changed.

For all of these reasons the success of the federal government utilizing information technology has lagged the commercial sector.

All of that has begun to change, though. In fact, today the most dramatic examples of information technology improving business process have been in the public sector. Why? Again a variety of reasons:

- **The Internet.** The Internet has provided a readily available, infinitely scalable architecture. Remember massive scale used to be a challenge for federal systems. But Internet technology is infinitely scalable and easily expanded. Amazon.com, Yahoo, and eBay handle tens of millions of transactions every hour. How do they do that? They simply add servers as the demand goes up.
- **Best practices.** The federal government today embraces best practices and is much less willing to change or customize commercial off the shelf solutions. That has reduced the complexity, time, and expense of federal systems.
- **Quality people.** As the complexity of these federal systems has been reduced, the caliber of people required to implement them has become more realistic to attract and retain. The federal government has done a better job of attracting and retaining quality people, including some very senior talent from the commercial sector.

- **Procurement.** The procurement process has improved over time. Today the federal government can weigh the tradeoffs between time to market, cost, vendor viability and experience in a manner similar to how a commercial procurement is done.

The result of these four changes in the public sector has been profound. E–Government initiatives have been among the most impressive applications of technology in the past ten years. In many state governments, citizens now renew their driver licenses and vehicle registrations online. They pay their parking tickets online and their traffic tickets online. Citizens apply for business licenses online. In many universities today students apply for admission online, apply for financial aid online, and register for classes online. In the federal government, soldiers can now complete a high school or college degree online from anywhere in the world.

PeopleSoft has participated in these and other impressive E–Government initiatives. The U.S. Mint and the Department of Treasury have online financial systems from PeopleSoft. The US Department of Agriculture and the Coast Guard have online Human Resource systems from PeopleSoft. The Army’s online continuing education system I spoke about is a PeopleSoft system called “eArmyU”.

PeopleSoft is today a major supplier to the public sector. 13 of the 15 cabinet departments run PeopleSoft systems. 15 states run on PeopleSoft. 650 universities run on PeopleSoft. I can give you more details on any of these deployments – their costs, benefits, and return on investment – if you’d like during the question/answer section.

But I would like to conclude my remarks looking to the immediate future. Online E–Government initiatives have become a reality at federal agencies, state agencies, and universities. It has been a quantum leap in the use of information technology. But it is really just getting started.

The value of information technology in the federal government could be exponentially higher if it were deployed across agencies. Because, today, to some extent individual agencies are reinventing the same business processes. How many different HR systems do you need to deploy in the federal government? How many different ways are there to pay federal workers? How many different benefit plans? Would it not be more beneficial to have a single HR system that could support different agencies rather than different HR systems for each agency? Would it not be more beneficial to have a single financial system that could support different agencies and immediately consolidate budget results?

Products exist today to do exactly that. In fact, the Department of Defense is deploying a cross-agency system today called DIMHRS (Defense Integrated Military Human Resources System). DIMHRS will consolidate 79 different HR systems across the Army, Navy, and Air Force into a single payroll and benefits system. PeopleSoft is deploying that system and working closely on other Quicksilver initiatives for cross agency deployment.

Cross agency deployment of information systems does represent an enormous leap in efficiency for the federal government. It is realistic, practical, and affordable. It is not the limitation of technology. It is a matter of people. People to agree on a common system. People to agree on the specifications. People to handle the change management process. We all appreciate the challenges of getting people from different agencies to work together, but the benefits to the federal government would be enormous and immediate.

Let me end by saying that we are just starting to glimpse the profound benefits of these online information systems as they are integrated and consolidated across agencies, commercial companies, and even, ultimately, with other governments.

Thank you.

# BIOGRAPHY

President and Chief Executive Officer, Craig A. Conway



Craig A. Conway is president and chief executive officer of PeopleSoft, the world's leading provider of business enterprise software. Conway was named as one of BusinessWeek's top 25 managers of 2001 and one of the 10 most influential people in the high technology industry, according to Computer Business Review—a European publication. PeopleSoft was named one of the five over-achieving companies in 2001 by Forbes.com. Under Conway's leadership, PeopleSoft was ranked as the second most admired software company in 2002 by FORTUNE magazine.

Joining PeopleSoft in May 1999, Conway orchestrated one of the most dramatic turnarounds in the technology industry. His boldest strategic directive was the development of PeopleSoft's Pure Internet Architecture™, the foundation of the industry's only suite of pure internet enterprise applications. Conway overhauled PeopleSoft's internal processes, significantly reducing costs and streamlining operations.

Prior to joining PeopleSoft, Conway was president and CEO of OneTouch Systems. Previously, he served as president and CEO for TGV Software. Conway also spent eight years at Oracle Corporation as executive vice president of marketing, sales, and operations. He is a graduate of the State University of New York at Brockport where he received degrees in mathematics and computer science.

# CUSTOMER PROFILES

## PeopleSoft, Inc. Overview

PeopleSoft is the world's leading supplier of application software for the real time enterprise. PeopleSoft pure Internet software enables organizations to reduce costs and increase productivity by directly connecting customers, suppliers, partners, and employees to business processes online, in real time.

Organizations in every industry are now operating in real time. Organizations that operate in real time are better equipped to achieve their financial objectives in a difficult economy. They are better able to meet a higher level of financial transparency, reporting accuracy, and accountability. Real-time organizations are better able to gain market share from their competition. PeopleSoft is shaping The Real-Time Enterprise™ today. PeopleSoft customers are moving business processes to the Internet, extending them directly to customers, suppliers, business partners, and employees. They are dramatically lowering costs and improving operating efficiency. The age of The Real-Time Enterprise is here. And PeopleSoft customers are benefiting from the results.

PeopleSoft delivers solutions to meet the real-time business process requirements of every industry. With a diverse customer base including more than 600 financial services companies, 650 manufacturers, and 600 higher education institutions, PeopleSoft has unparalleled experience in industries worldwide.

PeopleSoft is the only company to deliver configurable industry architecture. No matter where you choose to take your organization, our applications adapt to your business and support your goals and objectives. With our powerful analytics, you can bring information together from any source and view it in the context of your industry. Today, we are solving real business problems with PeopleSoft industry solutions. Consumer goods companies are reducing time to market with streamlined trade promotions. Banks are more effectively managing capital with sophisticated risk and customer behavior modeling. Healthcare providers are increasing responsiveness and cutting costs with real-time materials management. Whether you are a global high-tech manufacturer or a mid-size healthcare delivery organization, PeopleSoft provides the real-time solutions that meet the unique needs of your business.

PeopleSoft customers are moving their business processes to the Internet with world-class applications, all supported by PeopleSoft Pure Internet Architecture. Business processes are extended directly to customers, suppliers, partners, and employees. Business analytics are embedded directly into applications, providing real-time insight to your business processes.

## PEOPLESOFT CUSTOMER RELATIONSHIP MANAGEMENT

PeopleSoft Customer Relationship Management (CRM) provides comprehensive customer relationship management solutions that are fast to implement, are easy to use, and enable smart business processes. It delivers pre-integrated, best-in-class applications for coordinating all marketing, sales, and service activities with customers, partners, and employees. PeopleSoft CRM uses embedded analytics to deliver real-time customer insight, enabling businesses to drive profitable customer relationships while reducing operating costs.

## **PEOPLESOFT MANUFACTURING AND PEOPLESOFT SUPPLIER RELATIONSHIP MANAGEMENT**

PeopleSoft Manufacturing solutions deliver synchronized supply chains, allowing organizations to respond in real time to changes in demand and supply. Only PeopleSoft's Pure Internet Architecture enables lean manufacturing that extends beyond the four walls of your operation. Our real-time analytics and complete business processes allow organizations to constantly measure and tune their supply chain performance. PeopleSoft Supplier Relationship Management (SRM) is the only suite that provides organizations with total spend management for direct goods, indirect goods, and services. Only PeopleSoft SRM provides the processes, controls, and measures to enable your organization to tightly control spend and optimize supplier performance.

## **PEOPLESOFT HUMAN CAPITAL MANAGEMENT**

PeopleSoft Human Capital Management (HCM) increases workforce productivity and reduces costs. Organizations can streamline human resource systems and processes for attracting, developing, optimizing, and rewarding their workforce. They can deploy self-service and align their workforce to drive organizational performance goals. The result is an efficient, high-performance, cost-effective global workforce.

## **PEOPLESOFT FINANCIAL MANAGEMENT SOLUTIONS AND PEOPLESOFT ENTERPRISE SERVICE AUTOMATION**

PeopleSoft Financial Management Solutions (FMS) enable you to extend financial transparency and accountability deeper throughout your organization. PeopleSoft FMS combines best-practice business process models with robust transaction systems and comprehensive analytics solutions—all accessed through role-based financial portals. This best-in-class solution delivers process efficiencies and helps you proactively monitor enterprise performance. PeopleSoft Enterprise Service Automation (ESA) is the next generation of resource and project portfolio management software. ESA is the only suite that gives you real-time visibility and control over operational costs—the largest hidden costs facing business today. With PeopleSoft ESA, you can optimize your project portfolio, reduce project delivery costs, and maximize the return on your internal and external resources.

## **PEOPLESOFT ENTERPRISE PERFORMANCE MANAGEMENT**

PeopleSoft Enterprise Performance Management (EPM) applications provide the most comprehensive, integrated performance management solution. With PeopleSoft EPM, you gain a total view of your enterprise and can track performance at all levels of the organization. As a result, you can align operations with strategic goals and adapt quickly to unexpected changes.

## **PEOPLESOFT APPCONNECT**

PeopleSoft AppConnect enables companies to connect people, processes, and data across multi-vendor applications on a common pre-integrated platform. Enterprise Portal provides personalized, context-sensitive access to critical business content and applications. Integration Broker connects business processes across applications using web services integration. Enterprise Warehouse consolidates global data across the enterprise and provides comprehensive analytics for real-time decision-making.

## PEOPLESOFT MID-MARKET SOLUTIONS

PeopleSoft has pre-configured its pure Internet enterprise applications to support mid-market business processes. These solutions make The Real-Time Enterprise an affordable and low-risk reality for mid-size businesses. PeopleSoft Mid-Market Solutions move business processes online in as little as 70 days at a fixed price—including implementation, training, support, and an unlimited user license.

PeopleSoft is committed to ensuring customer satisfaction by building quality products and delivering cost-effective, results-oriented service and support based on the unique organizational needs of our customers.

## PEOPLESOFT GLOBAL SERVICES

PeopleSoft Global Services provides worldwide, best-in-class services to help customers get maximum value from their PeopleSoft software.

### Consulting

PeopleSoft Consulting is the leader for implementing, upgrading, and optimizing PeopleSoft products to improve business performance. With consultants around the world and expertise from over 1,000 projects in 2002, PeopleSoft Consulting accelerates time to value, maximizes functionality, and reduces project timelines and budgets. Our world-class implementation services are tailored to specific business needs and provide global infrastructure and expertise to make customers successful. Through a single-vendor relationship, customers gain deeper access to PeopleSoft resources and hold PeopleSoft, the company that built the software, accountable for project success. Customers that rely on PeopleSoft Consulting get more value out of PeopleSoft software sooner.

### Education

PeopleSoft Education is the trusted source for PeopleSoft related training. Executives, project managers, and end users benefit from role-based training that results in increased productivity and competence, reduced risk, and lower support costs. Training delivered where, when, and how your organization needs it, on a global scale, increases your overall return on investment. Products and services include project team training classes, end user training classes, the end user training kit, and course development and delivery services. Customers who rely on PeopleSoft Education get more value out of PeopleSoft software sooner.

## PEOPLESOFT CUSTOMER SUPPORT

PeopleSoft Customer Support provides customers with real-time support for their real-time enterprises. We provide access to an extensive suite of industry-leading, integrated global support services, including 24x7 mission-critical support. Customer Support also provides the industry's best web-based self-service problem resolution tools and comprehensive product and technical expertise. PeopleSoft continually invests in its customer service people and technologies to ensure that your systems run smoothly. Whatever your support needs, PeopleSoft Customer Support programs are specifically designed to help you guard against costly system downtime and achieve optimal system performance, increasing the value of your PeopleSoft systems. PeopleSoft Customer Support is committed to your success so you can focus on what you do best: driving your business.



## PEOPLESOFT eCENTER

PeopleSoft eCenter is the industry-leading solution for hosting and managing PeopleSoft pure Internet applications. PeopleSoft eCenter provides your business total flexibility and enhanced return on investment by delivering the full functionality of PeopleSoft as complete end-to-end applications hosting and management solution. PeopleSoft eCenter delivers a single point of accountability, rapid deployment, scalability, security, and industry leading service level guarantees for application availability and performance. eCenter's end-to-end solution enables our customers to focus on their core business while entrusting the management, ongoing service, and support of their enterprise applications to us.

PeopleSoft Alliance Partners work with us to deliver top-quality products and services that help our customers build a true, real-time enterprise. Partnering with top providers in their respective industries enables us to offer outstanding value and a broader range of solutions. With our global consulting partnerships, customers can choose among unique methodologies and thousands of highly trained consultants to reliably and effectively implement—anywhere in the world. Our software partners provide certified applications, pre-integrated with PeopleSoft solutions. All of our partners are leaders in their fields. We're proud to include them as a part of the PeopleSoft Global Alliances Program.

## PeopleSoft Customer Experiences

PeopleSoft is the leader in providing education and government ERP solutions with over 1300 public sector customers, including 13 of the 15 U.S. Cabinet level agencies, over 300 state & local governments and over 650 higher education institutions, in addition to our 4000 commercial sector customers. PeopleSoft was founded in 1987 and is headquartered in Pleasanton, California. With annual revenues in excess of \$2 billion, PeopleSoft has 5000 customers in 140 countries, more than 8000 employees, and 91 offices around the world.

PeopleSoft customers have experienced a myriad of success in the specific areas that the Subcommittee has defined. PeopleSoft customers have streamlined legacy systems from multiple stovepipes into cleanly integrated enterprise solutions. While Enterprise Systems are inherently complex, many PeopleSoft customers have been successful in getting systems into operation in 12 months or less. Many customers have production systems supporting billions of dollars in transactions and hundreds of thousands of employees or customers. Consolidated and integrated systems are reducing time spans by days, weeks, and months, and saving millions of dollars in hard expenditures, even while improving service and satisfaction levels.

Below is a snapshot of customer experiences in each of the main areas of interest in this hearing. Detailed profiles of these and other customers are found in the appropriate tabs later in this document.

## Consolidation and Integration

The USDA streamlined human resources processes and reduced operating costs across offices in all fifty states. Access to information was reduced from 3 weeks to real-time for the agency's 20,000 employees.

The State of Indiana consolidated 131 systems on PeopleSoft. They connected 70 agencies with 35,000 employees directly to HR business processes, and cut the financial closing process from 45 days to 5. The state obtained one accurate view of finances, and is moving procurement online so even small localities can leverage the state's enormous buying power. An accurate, real-time understanding of the workforce results in better management decisions and strengthened security.

## Implementation

The U.S. Mint (U.S. Department of Treasury) cut their month-end financial close from 2 weeks to a world-class 3 days, and year-end close from months to weeks. (Savings and ROI have been documented by the Mint, but are considered proprietary).

The State of North Dakota consolidated 200 systems onto PeopleSoft, connecting 58 agencies and 11 institutions of higher education. The State saves nearly \$10 million annually from the implementation of self-service human resource processes and the elimination of redundant systems.

The Office of the Comptroller of the Currency (U.S. Department of Treasury) implemented PeopleSoft Financials under budget, in 9 months. Now with PeopleSoft, end of year budget positions are forecast accurately. Managers at all levels have access to real-time reports, allowing tighter budget management.

## Scale

The State of New York uses PeopleSoft to manage a 293-agency payroll system that delivers over 700 different types of payments and a quarter of a million paychecks—every two weeks. Implementing PeopleSoft has improved the timeliness and accuracy of payments by 20%.

The Department of Defense is consolidating the human resources management of over 3 million military personnel onto a single system, replacing more than 80 legacy systems. The DOD is lowering costs and improving visibility to resources across service branches.

The U.S. Army uses PeopleSoft to manage its e-learning program, eArmy University. Over 10,400 soldiers around the world are now taking courses and earning degrees online from 24 participating colleges.

## Return On Investment (ROI)

The Texas Education Agency moved their state-wide contracted workforce processes to the internet with PeopleSoft, and saves \$1 million annually.

The City of Los Angeles implemented PeopleSoft Supply Chain Management, saving over \$37 million, an ROI of 130%. This is in addition to the \$3.6 million saved annually in ongoing personnel and contract costs. The city slashed both inventory levels and the number of purchasing contracts in half. The city now earns early payment discounts on 96% of their invoices.

The United States Coast Guard used PeopleSoft to reduce the time to process its 20,000 annual deployments by over 30%. As a result, the Coast Guard has been able to cut headcount for personnel related positions by 40%.

# Consolidation and Integration

## USDA Leads the Way to PeopleSoft 8 HRMS

### The Customer

The United States Department of Agriculture (USDA) is committed to assisting America's farmers and ranchers. To that end, USDA is the country's largest conservation agency, encouraging voluntary efforts to protect soil, water, and wildlife on the 70 percent of America's land that is privately owned. The USDA brings housing, modern telecommunications, and safe drinking water to rural America, and represents American agriculture around the world.

### PeopleSoft Products

Human Resources, Payroll Interface, Benefits Administration, eRecruit, eDevelopment, eBenefits, ePay, eProfile, eCompensation

### Computing Environment

- Windows 2000
- Servers: Unisys ES7000
- Database: Oracle

### Implementation partner

Unisys

From its beginnings as a farming assistance bureau, the United States Department of Agriculture (USDA) has grown into a far-reaching organization. The USDA takes part in anti-hunger efforts, conservation, rural development, food safety, and global agricultural trade. With offices in all 50 states, the USDA recently sought an HRMS solution that could streamline personnel actions and reduce operating costs. They found this solution in PeopleSoft 8 HRMS.

For over a year, three USDA branches have been using PeopleSoft Human Resources Management to process personnel actions (68,000 since deployment). Nearly 20,000 employees in all 50 states, Guam, and Puerto Rico use PeopleSoft solutions to perform such typical HR functions as appraising performances, planning training, and filling vacant positions.

The response has been positive. "We've been getting a lot of great feedback," says Hans Heidenreich, USDA's project director for PeopleSoft. "The same information that used to take three days or three weeks to pull is there right away. Having PeopleSoft has definitely made us more efficient. Our employees are happy, and it's brought our agencies closer together."

These benefits will increase as the USDA upgrades to PeopleSoft 8 HRMS, an eBusiness platform that requires no code on the client. The USDA plans to become the first federal department to deploy PeopleSoft's pure internet software.

### Anywhere, Anytime Business

One of the chief benefits of pure internet software—found only in PeopleSoft 8—is that it gives employees access to role-based information through any web browser. "We're giving our people so much more that they'll be ecstatic," says Heidenreich. "For our employees, browser-based self-service—the ability to manage life events and benefits, whether it's health, trust savings, union dues, or changing their W-4—will make their lives easier. Instead of having to file papers in the office, they'll be able to manage their personal business from home."

The department is confident that PeopleSoft will prepare them to handle the eGovernment challenges ahead. "With PeopleSoft 8, when there's a policy change or a new rule, we'll be able to adapt to it a lot more quickly," says Heidenreich. "There's no code on the client, so it's going to be easier to get the changes out to everybody at the same time. The web-based approach reduces the costs of the equipment that you need and increases efficiency."

### Self-Service Drives Productivity

With PeopleSoft's new self-service collaborative applications, the USDA expects to move many paper-based processes to the web. "Our managers will be able to initiate personnel actions or change position descriptions electronically, avoiding the burden of paper and emails," Heidenreich says. "At the same time, our HR folks will be able to focus more time on strategic issues without having to worry about key punching and processing."

"By reducing the administrative burden on our people in the field," continues Heidenreich, "they'll be able to concentrate on their real jobs—conserving land, administering loans programs, strengthening rural economies, and assisting farmers, landowners, and ranchers. That's going to make our programs more efficient, which will satisfy everyone."

### Driving Down Expenses

Aside from making everyday tasks easier, USDA expects PeopleSoft 8 HRMS to improve the department's bottom line. "The agencies will be able to plan better," says Heidenreich. "They'll have people in the right places, and they'll be able to match training and career development opportunities to their employees' specific needs. That should reduce our overhead costs in the future."

The department has already achieved savings through the ease of implementation. "As far as I can tell, our implementation is probably the most inexpensive one in the federal government," says Heidenreich. "I'm doing this on a shoestring. And the fact is, by moving to the internet, I'll be making my life easier. I can't keep up with the demands of maintaining a client machine."

What's good for USDA is also good for its constituents, the nation's agricultural community, and taxpayers. Improved efficiency will drive down expenses and enhance program value.

### Moving Ahead

At the same time that the department is upgrading, it also expects to roll out new HR modules.

"PeopleSoft offered not just a product, but a methodology as well," says Heidenreich. "You upgrade and add functionality at the same time. We're going to follow that approach: build it, test it, and move it out. That's really key."

"At the end of the day," Heidenreich concludes, "we're getting a system that provides information faster, more efficiently, and more accessibly. That's what we need to move us into the twenty-first century."

"As far as I can tell, our implementation is probably the most inexpensive one in the federal government. I'm doing this on a shoestring. And the fact is, by moving to the internet, I'll be making my life easier. I can't keep up with the demands of maintaining a client machine."

#### Hans Heidenreich

Project Director for PeopleSoft,  
U.S. Department of Agriculture

CITIZENS • SUPPLIERS • EMPLOYEES

People power the internet.™



PeopleSoft, the PeopleSoft logo, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, and Vantive are registered trademarks, and PeopleTalk and "People power the internet." are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2001 PeopleSoft, Inc. All rights reserved.

#### PeopleSoft Inc. Corporate Headquarters

4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

## The Customer

**Industry:** Advanced Technology Manufacturing

**Geographics:** Headquartered in Corning, NY, with business units, research, production, and distribution sites in 34 countries

**Revenue:** 2001 revenues \$6.3 billion

**Employees:** Approximately 32,000

**PeopleSoft Products:** Supply Chain Planning, Manufacturing, Customer Fulfillment Management, Supplier Relationship Management, Financials, Human Resources

**“The supply chain technology Holy Grail for Corning is to provide our diverse business units the ability to achieve process excellence, while minimizing complexity across the whole organization. That’s the sweet spot we’re hitting with PeopleSoft.”**

**—Rick Beers**

Director of Supply Chain Technology

**CORNING**

Discovering Beyond Imagination

## Business Challenge

Corning’s twelve business units must plan, execute, and compete successfully and autonomously, while sharing the direction and ambitious global focus of the entire organization. Corning enterprise systems need to support corporate-level management and provide centralized services, while enabling supply chain process excellence in its diverse decentralized units.

## PeopleSoft Solution

Corning’s ongoing relationship with PeopleSoft, which began in 1995, has included over twenty installations of PeopleSoft applications throughout the company. PeopleSoft Financials, Human Resources, and Procurement systems anchor the centralized functions within Corning, while PeopleSoft Supply Chain Planning, Manufacturing, and Customer Fulfillment Management solutions are deployed as required throughout the decentralized production units.

## Business Benefits

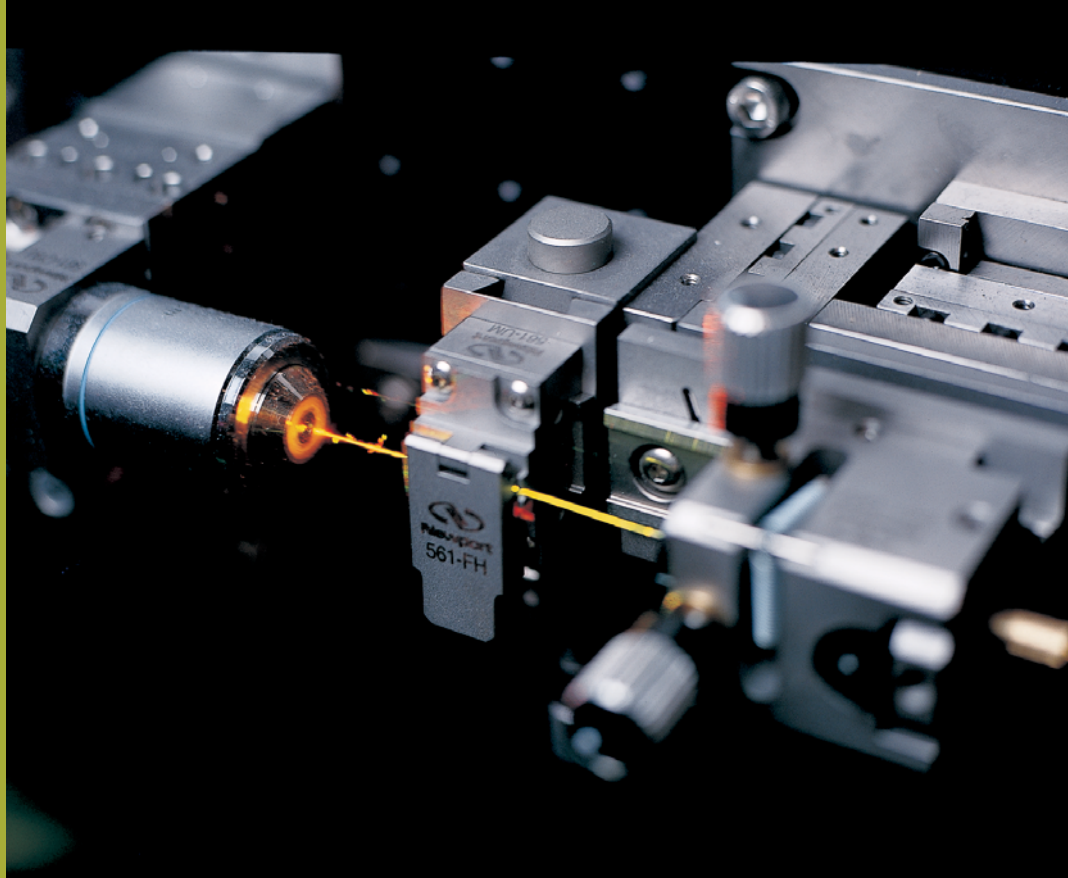
With a strong information foundation based on PeopleSoft Pure Internet Architecture™, Corning and its component businesses have the tools to grow and expand into domestic and global markets. A unified, robust data standard helps the disparate business units stay aligned and responsive to overall company direction. Better supply chain processes, and better-informed business strategy, help production units minimize costs, maximize asset effectiveness, promise and deliver orders reliably, and attract and retain customers. eProcurement and integrated procurement transactions lower the costs and improve the reliability of materials management. Overall, real time data access and analysis promote higher performance and better strategic decisions throughout the company and its business units.

# Real-Time High Performance

"High performance at Corning means agility," explains Rick Beers, Director of Supply Chain Technology. "That requires real-time data and interoperability among applications. We need to react quickly to opportunities or problems in our supply chains—to see snags coming and plan accordingly, or adjust production levels in response to demand."

For example, Corning Specialty Materials, which manufactures semiconductor, photonic, and technical materials, aimed to improve collaboration among the fourteen worldwide factory, sales, and research sites making and marketing its multiple product lines. The solution was to integrate PeopleSoft Manufacturing, Customer Fulfillment Management, and Supply Chain Planning solutions with Corning's Camstar Manufacturing Execution System (a PeopleSoft business partner), enabling an optimized, real-time "virtual factory."

"We've got very high-tech, customized products," says Doug Anderson, CIO of Corning Specialty Materials. "We're constantly working on yield and cycle times. As we go up and down the roller coaster of sales forecasts, we need the ability to ramp up in time to meet the unexpected demand. We put a lot of work into figuring out how much manufacturing capacity we need to have online, and when and to which plants we'll commit that capacity. That's been a very manual-intensive process. By having this improved information infrastructure in place, our reaction time will improve significantly."



## Corning Synchronizes Global Supply Chains with PeopleSoft

What's more important in pursuit of business excellence: strong central leadership or effective decentralized empowerment? Why not both? Like many large, multi-division, multinational enterprises, Corning Incorporated must strike a balance between central cohesiveness and decentralized business operations. Corning's twelve business units plan and execute their production, sales, and distribution operations autonomously, while sharing the direction and global focus of the entire organization. Since 1995, PeopleSoft integrated systems have helped attain that balance.

"The supply chain technology Holy Grail for Corning is to provide our diverse business units the ability to achieve process excellence," says Corning's Rick Beers, Director of Supply Chain Technology, "while minimizing complexity across the whole organization. That's the sweet spot we're hitting with PeopleSoft."

### An Enterprise that Does it All

Corning ([www.corning.com](http://www.corning.com)), a venerable upstate New York manufacturer, has evolved from producing glass and cookware in decades past to creating advanced technology products such as optical fiber, cable systems, photonic components and devices, LCD glass for flat panel displays, precision lenses, emissions control products and life sciences products. Corning's footprint extends over multiple business, research, production, and distribution sites in 34 countries. The company employs approximately 32,000 worldwide, and 2001 revenues reached \$6.3 billion.

Each business unit manages its own planning, order management, production, and other supply chain operations. Corning incorporates the activities of an OEM, a supplier, a customer service organization, a sales organization, and a technology innovator—all supported by PeopleSoft technology. Further, Corning has ambitious plans to expand its production and market presence around the world, and to optimize truly global supply chains within its businesses.



### Compatible Visions, Close Fits

From 1995 through second quarter 2002, Corning has deployed 21 installations of PeopleSoft HR, Finance, Procurement, and Supply Chain Management applications throughout the company. The impetus for this far-reaching adoption of unified enterprise systems arose from a sweeping 1994 corporate reorganization, in which a major IT overhaul was identified as a key enabler. PeopleSoft was chosen as Corning's principal ERP vendor for its range and quality of applications, functional fit, modular and adaptable design, complementary vision of future directions, and compatible corporate culture.

"Corning's long term vision was to broadly deploy systems from a single vendor into a decentralized business environment," says Suzee Woods, Corning's Director, Application Services, "and to establish a standard transaction and data platform for the entire company. This had to be accomplished, however, in a flexible way that enabled us to deliver process excellence and business value across widely diverse business processes."

### Supply Chain Process Excellence

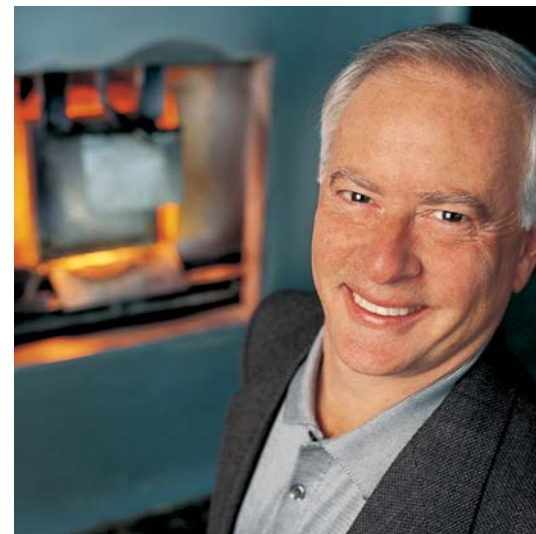
Prior to initiating a PeopleSoft Supply Chain Management implementation, Corning's Supply Chain Technology Strategy group, led by Rick Beers, carries out an extensive analysis of each business unit in consultation with process owners. The aim of the strategy team is to acquire a deep understanding of the business's supply chain processes, a blueprint for process improvements, and a fit/gap analysis with PeopleSoft SCM applications. The latter stages of the deployment focus on optimization—the collaborative processes, fine-tuned workflow, planning refinements, strategic analysis and eBusiness initiatives that wring maximum benefits from newly-established process excellence.

"PeopleSoft's modularity is very important," says Beers, "because we tailor the approach to the needs and resource capabilities of each business. We're establishing supply chain process excellence in a way that gives each business value. For example, the customer base is shifting for one of our units, so their top priority is to focus on order and inventory management. Another business's pressures are capacity related, but their customer base is stable. They have to make more optimal use of their resources, so they're focusing on planning. Another unit has zeroed in on improving the sales process. And PeopleSoft can support each of those areas of focus and still be part of the common data platform."

### A Culture of Information Leading to Supply Chain Transformation

The expanding presence of PeopleSoft throughout Corning is having an effect on Corning's business culture. "It all comes down to having the right information at the right place at the right time. At Corning, we're starting to use real-time information as a natural extension of ourselves, to make the strategic supply chain decisions that save time and money, enhance customer satisfaction, and improve operations."

"If you consider the huge, and still growing PeopleSoft presence throughout Corning and the challenges of globalization, shared services, and all those individual supply chains, we've got some fun ahead of us. We're completing the heavy





lifting in getting PeopleSoft implemented throughout this company. End to end interoperability, inside and outside of the four walls, is the next challenge, and a great opportunity. With this capability, the Real Time Enterprise can become a reality.”

Beers concludes: “The early promise of ERP, and Supply Chain Technology in particular, was to transform the business through end to end process design enabled by integrated product and information flows. Somehow, between then and now, much of the attention became focused on the technology itself. Technical wizardry became the end game and the focus on process excellence became blurred. The story of Corning and PeopleSoft is a different one. Supply Chain transformation has been the goal all along, and it is being achieved.”



“We’re constantly working on yield and cycle times. We need the ability to ramp up in time to meet unexpected demand, so we put a lot of work into figuring out how much manufacturing capacity we need to have online. By having this improved information infrastructure in place, our reaction time will improve significantly.”

**Doug Anderson**  
CIO of Corning Specialty Materials

PeopleSoft®

**PeopleSoft, Inc. Corporate Headquarters**  
4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, PeopleTalk, and Vantive are registered trademarks, and Pure Internet Architecture is a trademark of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2002 PeopleSoft, Inc. All rights reserved.

4233-0602

**The Customer****Industry:** Telecommunications**Geographics:** Headquartered in Overland Park, Kansas**Revenue:** \$26 Billion**Employees:** 80,000**PeopleSoft Products**PeopleSoft Enterprise  
Performance ManagementWorkforce Scorecard, Financial  
Analytics, CRM Analytics,  
Supply Chain AnalyticsPeopleSoft Financial Management  
SolutionsAsset Management, Deduction  
Management, General Ledger,  
Payables, Receivables, Projects,  
BudgetingPeopleSoft Supply Chain  
Management

Purchasing, Inventory, Billing

PeopleSoft Customer Relationship  
Management

CRM for Communications

**Implementation Team**PeopleSoft Consulting,  
Cap Gemini Ernst & Young**Customer Service Level**PeopleSoft Platinum Customer  
Support

**“Our platinum account team keeps a real close eye on what is important to us, and they champion all our causes.”**

**—Sharla Riead**

Manager of Vendor Relations for Sprint's Integrated Business Solution Center

**Business Challenge**

Faced with an industry downturn, Sprint is looking for ways to reduce operating costs and focus on business areas that show growth potential. The company also wants to find ways to leverage its existing PeopleSoft investments.

**PeopleSoft Solution**

Sprint uses its PeopleSoft enterprise applications to drive efficiencies and lower costs. PeopleSoft Platinum Customer Support services keep its mission-critical systems operating smoothly and give Sprint a committed relationship to maximize its investment in those systems.

**Business Benefits**

PeopleSoft Platinum Customer Support gives Sprint:

- A single point of contact within PeopleSoft who focuses only on Sprint's needs and requirements.
- A true working relationship with PeopleSoft's product strategy, development teams, and executive management.
- Proactive planning on how to get the most out of its PeopleSoft systems.
- A dedicated primary support manager who monitors all product and technical issues reported by Sprint to ensure rapid resolution.

## Sprint Calls on PeopleSoft Platinum Customer Support

A PeopleSoft customer since 1998, Sprint has used its PeopleSoft systems to keep business running smoothly. In the face of a significant industry downturn, the company is looking to its PeopleSoft systems to streamline operations and cut costs. And PeopleSoft Platinum Customer Support provides the proactive services Sprint needs to maintain maximum system availability and gain the most value from its PeopleSoft investments.

“We’ve made a significant investment in PeopleSoft over the years,” says Mike Egan, assistant vice president of Sprint’s Integrated Business Solution Center (IBSC). “And one of our goals this year is to leverage that investment.”

### Dialing Up Peak Performance

Sprint sees the hands-on service it receives from Platinum Customer Support as vital to ensuring that its PeopleSoft systems are operating at peak performance.

Says Sharla Riead, manager of Sprint’s IBSC, “We have a weekly call with our primary support manager. She personally oversees all of our product and technical cases and understands which ones are critical to us. She keeps on top of what’s happening to them within PeopleSoft and has helped speed resolution.”

Due to the proactive support it receives, Sprint has been able to keep its systems running smoothly — without interruption. Riead adds, “We’ve got our systems so finely tuned and the operations working so well, I can’t say at this point in time that there are a lot of issues or system problems that we need to escalate to PeopleSoft.”

### A Relationship that Really Connects

“The primary advantage I see of the Platinum support program is our access to the PeopleSoft product strategists and developers,” says Egan. “We’ve been able to form one-on-one relationships with those people and have an ongoing dialogue on all of our product sets.”

This relationship at the developer level has enabled Sprint to maximize its investment. By working closely with product developers, the company was able to drive much of the functionality in the current release of the PeopleSoft Enterprise Performance Management (EPM) product to meet Sprint’s needs.

“We evolved the product to what finally became the general release. This helped us tremendously because we were able to save on customization costs we would have incurred down the line. At the same time, PeopleSoft now has a product that is more suited to its customers’ needs. That, in my mind, is a true example of a winning relationship,” Egan notes.

### An Investment that Goes Long Distance

Sprint’s platinum service director provides the company with risk management strategies and proactive planning. This expert guidance is helping the company to extend functionality to new users throughout its enterprise. “We’re currently working with our platinum service director to expand the usage of the EPM application by rolling it out to 11,000 internal clients,” says Bill Richert, senior manager of Infrastructure for Sprint’s IBSC.

Sprint’s platinum service director is also helping the company find the most cost-effective and efficient way to upgrade its applications. Riead says, “We have such a large PeopleSoft implementation that it’s just not feasible anymore to upgrade the entire system at once. Our platinum service director has been very helpful in pulling together PeopleSoft resources to help us come up with creative ways to do upgrades. It’s another example of how we’re working together. And we’re very happy with our relationship with PeopleSoft.”



**PeopleSoft, Inc. Corporate Headquarters**  
4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, *PeopleTalk*, and Vantive are registered trademarks, and Pure Internet Architecture is a trademark of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2002 PeopleSoft, Inc. All rights reserved.

# A Business Case for PeopleSoft Communications Industry Solutions at Sprint

January 2003



# A Business Case for PeopleSoft Communications Industry Solutions at Sprint

PEOPLESOFT  
JANUARY 2003

## **A Business Case for PeopleSoft Communications Industry Solutions at Sprint**



© 2003 by PeopleSoft, Inc.  
All rights reserved. Published 2003.  
Printed on Recycled Paper.

### **Restricted Rights**

Printed in the United States of America.

The information contained in this document is proprietary and confidential to PeopleSoft, Inc.

No part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying and recording, for any purpose without the express written permission of PeopleSoft, Inc.

This document is subject to change without notice, and PeopleSoft does not warrant that the material contained in this document is error-free. If you find any problems with this document, please report them to PeopleSoft in writing.

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, *PeopleTalk*, and Vantive are registered trademarks, and Pure Internet Architecture, Intelligent Context Manager, and The Real-Time Enterprise are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2003 PeopleSoft, Inc. All rights reserved.

This document contains or may contain statements of future direction concerning possible functionality for PeopleSoft's software products and technology. All functionality and software products will be available for license and shipment from PeopleSoft only if and when generally commercially available. PeopleSoft disclaims any express or implied commitment to deliver functionality or software unless or until actual shipment of the functionality or software occurs. The statements of possible future direction are for information purposes only, and PeopleSoft makes no express or implied commitments or representations concerning the timing and content of any future functionality or releases.

# A Business Case for PeopleSoft Financials at Sprint

## Executive Summary

In the early 1990s, Sprint management analyzed the company's current finance cost structure and realized they needed to make drastic changes to move from a third to fourth quartile organization to a company with world class processes. Sprint understood that multiple disparate financial and supply chain processes threatened this vision.

Because Sprint stored information in separate systems, business units found it difficult to follow standard business processes and share information. Maintaining duplicate systems also created extra work for Sprint's IT department. Realizing that standalone applications were encouraging standalone processes, Sprint began to look for an integrated enterprise solution, hoping to standardize and streamline business processes while lowering costs.

In 1998, Sprint completed a significant move forward by implementing a single instance of PeopleSoft Financials and Supply Chain Management for their FON Group, primarily the Long Distance and Local Telephone divisions. However, Sprint's efforts were not complete. Opportunities still existed if Sprint's PCS group were integrated, thus, fully achieving the vision of a true enterprise-wide software system. In a detailed business case, Sprint's Integrated Business Solution Center (IBSC) convinced Sprint's senior management that a single instance of PeopleSoft would deliver a rapid return on investment.

Sprint's post-implementation audit reveals that the integration of the PCS group onto a single instance of PeopleSoft's enterprise applications exceeded even the ambitious financial goals detailed in the original business case. Sprint has achieved a return on investment in just over 11 months and a three-year ROI of over 200 percent.

Sprint achieved benefits in six main areas:

- **Accounts payable:** Lower cost per transaction processed; vendor consolidation
- **Purchasing:** Automated procure-to-pay process; vendor reporting
- **Inventory:** Material tracking; reduced cycle time; reporting; controls
- **Integrated Business Solution Center:** More effective use of application support resources
- **Travel and entertainment:** Automated Web processes; common corporate card; enhanced reporting capabilities
- **Technology:** Reduction of duplicate hardware, software, and upgrades

Most importantly, the consolidation to a single PeopleSoft instance is enabling Sprint's growth. Because PeopleSoft dramatically improves employee performance while reducing the cost of each business process, Sprint's savings will increase as they add new business opportunities to their current portfolio.

## Overview

Since 1899, Sprint has been an innovator in the telecommunications sector. A pioneering spirit has helped Sprint grow from a rural, local telephone company to a global enterprise with over \$26 billion in revenues, 75,000 employees, and 26 million customers.

In keeping with their reputation, Sprint entered a new market in 1995 when they joined three partners and acquired the personal communications services (PCS) licenses they needed to build the first nationwide digital wireless network. Just three years later, Sprint bought out their partners and set up two distinct organizations: the PCS group, which handles wireless operations, and the FON group, which includes Sprint's local, long distance, and global operations.

But it was only a matter of time before Sprint experienced difficulties in sharing information between its two major organizations. Because they used disparate enterprise software solutions, the PCS and FON groups were experiencing inefficiencies in accounting and supply chain processes.

An avalanche of daily transactions detracted from Sprint's strategic initiatives. Sprint PCS lacked an automated procure-to-pay process and was forced to process 310,000 purchase orders manually each year. Sprint's month-end reporting methods required them to gather financial data from multiple sources and reconcile the differences.

Running separate enterprise systems meant paying for duplicate hardware, software, upgrades, and IT staff—all of which siphoned precious resources from more strategic activities. Sprint needed a common architecture that would enable them to integrate new business opportunities quickly.

The time had come to unite the PCS and FON groups on one common PeopleSoft platform and move to a shared services environment. This approach would leverage the advantages already achieved by consolidating the FON group's processing on a single enterprise system instance. As they began their research for achieving the single enterprise software instance, Sprint identified two goals:

- Centralize operations and staff into enterprise shared service centers.
- Consolidate disparate financial systems onto one enterprise platform.

The PCS group's financial, accounting, and purchasing centers were to be merged into the FON group's enterprise-wide shared service centers for accounting, supply chain, and system support. The IBSC would be responsible for new technology evaluation and implementation, upgrades, infrastructure support, and enhancements in support of the accounting and supply chain organizations. These organizations would operate from Sprint's Kansas City headquarters.



Integrating the PCS group onto the FON group's PeopleSoft Financials implementation was a logical decision for Sprint. PeopleSoft offered the necessary breadth of functionality, open architecture, and flexibility to accommodate Sprint's growth. PCS went live on PeopleSoft 7.5 General Ledger, Payables, Receivables, Billing, Projects, Purchasing, and Inventory in October 2000 after an 11-month implementation.

Despite Sprint's substantial annual revenues and growing market share, large IT projects at the company do not receive a "rubber stamp" of approval. Before this project could proceed, Sprint's senior management had to be convinced that the single instance of PeopleSoft's software would deliver a solid, timely return on investment.

## Presenting a Business Case

### Sprint's Business Case Process

Sprint's IBSC has developed a formalized business case process that fosters successful technology projects from their earliest stages. Though Sprint is not the only company to develop such a process, they show unusual diligence in following projects from planning and justification to implementation and benchmarking.

Below is a summary of Sprint IBSC's business case process:

- Each request over \$1 million must be accompanied by a detailed business case.
- The requesting group works with—and has their request audited by—IBSC's Strategic Initiatives (SI) group.
- Decision-makers communicate their payback expectations based on the current economic climate. In a tough economy, Sprint could expect payback within one year.
- After receiving approval from decision-makers on the business case, the project team kicks off the project.
- If there are drastic changes after the project has begun, the SI group amends the business case and requests re-approval for the project.
- Once the project is completed, the SI Group performs a post-implementation audit based upon the payback period identified within the business case. This qualitative and quantitative process holds the project team to the objectives laid out in the business case.

### Sprint's Integration Business Case

Sprint's business case for the integration of PCS and FON on a single instance of PeopleSoft Financials focused on desired benefits in six areas:

- **Accounts payable:** Lower cost per transaction processed; vendor consolidation.
- **Purchasing:** Automated procure-to-pay process; vendor reporting.
- **Inventory:** Material tracking; reduced cycle time; reporting; controls.
- **Integrated Business Solution Center:** More effective use of technical resources.

- **Travel and entertainment:** Automated Web processes; common corporate card; enhanced reporting capabilities.
- **Technology:** Reduction of duplicate hardware, software, and upgrades

### Intangible Benefits

Sprint also focused on a set of non-quantifiable but equally important objectives:

- Create “best of the best” enterprise accounting services (EAS) and supply chain management (SCM) organizations for Sprint
- Implement a system processing environment that supports growth opportunities
- Leverage the ISBC to support the PeopleSoft environment and manage the cost of ownership
- Allocate resources and skill sets to meet current and future business objectives
- Enable skilled PCS resources to shift their focus from daily transaction processing to managing business growth areas
- Leverage the relationship with PeopleSoft’s development and product strategy organizations

### Anticipated Savings

In addition to improved business processes and migration towards achieving “One Sprint,” the company entered the project with lofty financial expectations. Sprint expected to achieve a full return on their investment in 14.67 months and expected a three-year ROI of 150 percent.

Sprint planned to achieve many of these savings by eliminating duplicate technology. Integration to one PeopleSoft system would eliminate the need for upgrades to two systems. Sprint’s business case assumed PCS would maintain ownership of three unique PeopleSoft modules and be responsible for upgrading them in the future.

As a result of the integration on one instance of PeopleSoft, PCS would no longer need a separate staff for maintenance and enhancements. They planned to redeploy these employees to the IBSC, thereby reducing the IBSC’s reliance on contractors.

## Implementation of PeopleSoft Financials

### Project Assumptions

An integrated team of more than 100 PCS, FON, and contract functional and technical personnel worked for 11 months to implement PeopleSoft Financials. The integration proceeded under the following assumptions:

- PCS shared service functions—including accounts payable, asset management, and travel and entertainment—would be merged into the enterprise EAS and SCM organizations.
- PCS decision support functions would remain at PCS—consistent with the long distance division (LDD) and local telephone division (LTD) models.

- A single instance of PeopleSoft applications would go live on a single IBM DB2 platform.
- There would be a common code block and a single set ID.
- The integration would result in a common month-end closing process that would run as a single process on the same closing schedule.

## Post-Audit Results

As planned, Sprint conducted a post-audit review approximately 12 months after the implementation to measure its return on investment. Along the way, Sprint had conducted interim reviews to compare performance to date with assumptions in the business case. Using the results of the post-audit review, we can evaluate Sprint's success in each of their focus areas.

## Presence of Critical Success Factors

Sprint's success was due in large part to delivery on each of its critical success factors. The project team:

- Received executive support from all organizational levels.
- Mitigated the risks of organizational shift and job responsibility changes by implementing a change management team. They minimized business disruptions to PCS and FON operations by implementing some process and system changes earlier than expected.
- Obtained the required resources with the necessary skill sets at budgeted rates.
- Met all interim milestones to ensure a successful on time implementation.
- Moved most project resources to one location.

## IT Benefits Achieved

Integrating PCS and FON on one instance of PeopleSoft eliminated a large volume of redundant work and excess costs for Sprint. The integration gives Sprint:

- A common architecture for integrating new businesses and acquired companies. This is a substantial benefit in the ever-consolidating telecommunications industry.
- The ability to manage its financial software through one source.
- One production support organization to support all applications.

### Eliminating Redundant Technology

Eliminating redundant systems paid dividends for Sprint. Several key variances from the business case resulted in greater-than-expected savings.

PCS did not retain ownership of three unique PeopleSoft modules, as had been assumed in the business case. The ISBC assumed responsibility for upgrading these modules, eliminating redundant work for PCS and increasing the savings of the project. PCS further reduced its IT

workload by replacing 200 PCS network connections and workstations with 58 total network connections—and no new workstations.

By analyzing the previous PCS upgrade spend and projecting PeopleSoft 8 upgrade costs, Sprint calculates that the integration will enable them to avoid about \$5.7 million in upgrade costs. The business case had projected \$4.3 million. And after replacing 200 PCS network connections and workstations with 58 total network connections, Sprint will achieve 38 percent greater savings than projected.

### General Ledger

PeopleSoft General Ledger has enabled Sprint to combine its disparate accounting processes into one accounting system with a common set of business rules, including a single chart of accounts. This consolidation has reduced costs and enabled faster analysis and reporting of data.

### Asset Management

Although Sprint's business case did not project any benefits for asset management, the integrated organization did achieve several qualitative IT benefits. Using PeopleSoft Projects, Sprint:

- Developed improved interfaces that eliminate back-end deletion and shorten processing time.
- Eliminated run control in auto-capitalization (which amounts to 25 to 50 percent of the code).
- Consolidated Asset Management and Projects trees, streamlining maintenance and table space.
- Discontinued engineering allocation, saving process time and table space.
- Eliminated PeopleSoft customizations that were brought through upgrades by consultants.

### IT Staff Changes

Because Sprint has moved to a single enterprise architecture, PCS no longer needs to maintain a separate IT staff to complete its PeopleSoft maintenance and enhancements. Sprint redeployed a group of employees to the IBSC, reducing the IBSC's reliance on contractors. A smaller group of FON IT personnel has assumed the duties of the PCS IT staff.

In the business case, Sprint projected savings from this change by estimating the average hourly cost of Sprint employees and contractors. Because Sprint later discovered that their salary assumptions were higher than actual salaries—and because FON's IT staff was able to take on its added workload with a smaller headcount than expected—Sprint's IT staff will be more cost-effective and will save more than expected. These variances resulted in savings of \$2.6 million in the first year—a substantial increase over the projected \$2 million.

## Financial and Operational Benefits Achieved

How did Sprint fare in achieving their ambitious financial goals?

	<b>Expected</b>	<b>Actual</b>
Three-year Return on Investment	150 percent	Greater than 200 percent.
Payback period	14.67 months	11.23 months

Staying close to budget helped ensure that Sprint would exceed their financial goals. Strong project management resulted in the cost of the project exceeding the budget by less than one percent. Whereas IT costs ran over by 24.6 percent, functional costs were 28.7 percent under expectations.

In addition to controlling the costs, Sprint's financial achievements also spread across other areas.

### Accounts Payable

By adopting the best of FON's business processes, PCS will handle transactions much more efficiently despite a smaller headcount. Whereas PCS previously covered 31,435 distribution lines per person, FON can handle 92,473 per person.

To project annual savings, Sprint's accounts payable organization took two approaches. One approach focused on distribution unit cost analysis; the other focused on headcount reduction. The post audit used both the actual unit cost per distribution line and headcount redeployment results.

### Purchasing

Before the integration, PCS and FON followed significantly different procurement processes. The integration extended FON's more efficient process to both organizations.

Sprint initially intended to eliminate the Sprint North Supply division, and its associated services charges, from PCS's process. Though this change did not occur until a later project, Sprint drastically reduced its cost per purchase order (PO)—a change that will pay greater and greater dividends as Sprint's volume of POs increases. Sprint has automated processing for nearly half of its 310,000 annual purchase orders.

Before PeopleSoft, the PCS and FON divisions boasted PO processing costs that were well below the industry average of \$130. Nevertheless, PeopleSoft enabled PCS and FON to cut their cost per PO by 37.8 percent and 11.3 percent, respectively. Factoring in the increased volume of POs, Sprint will save over \$2 million on PO processing—twice the amount they predicted in the business case. Sprint saved even more when they subsequently relieved Sprint North Supply of its intermediary duties—including requisitioning and fulfillment—in the purchasing flow chart.

## Inventory

Through the PeopleSoft integration, PCS will adopt FON's inventory processes to eliminate unnecessary costs. In the business case, Sprint applied efficiency percentages to the annual capital budget to project real-dollar savings. From 2000 through 2002, Sprint estimated it would save \$3.65 million in inventory costs. This figure includes hard- and soft-dollar savings.

Because the actual inventory savings in Sprint's business case were not measurable, Sprint conducted a post-audit sensitivity analysis. They determined that tracking inventory levels before and after the PCS integration would reflect a high-level view of the efficiencies gained in the project. However, even though all parties felt value was delivered by the Integration project, the post audit conservatively assumed no inventory related savings.

## Travel and Entertainment

Heading into the integration, the Sprint travel and entertainment (T&E) organization expected to achieve savings by reducing headcount, eliminating accounts payable checks for PCS transactions, and earning incremental rebates from their credit card company.

Sprint implemented its new expense management solution (XMS) process for PCS associates earlier than planned. Implementing early meant an accelerated payback period and greater reductions in headcount. PCS associates embraced the new XMS process, eagerly leaving behind spreadsheets and manual calculations. The new process eliminates 90,000 accounts payable checks per year.

After planning to hire 2.6 full-time employees to help convert PCS to the XMS process, Sprint actually avoided increasing headcount and in fact redeployed 1.2 full-time employees. These changes will deliver greater savings than Sprint expected. During year one, Sprint's T&E organization will achieve 223 percent of the T&E savings they projected in the business case.

## Conclusion

By implementing PeopleSoft's solutions for the communications industry, Sprint has standardized business processes and eliminated barriers to enterprise information while lowering costs.

Sprint received a full return on their original investment in just over 11 months. Even more remarkably, during their first three years running PeopleSoft Financials and Supply Chain Management, Sprint will achieve a return on investment of over 200 percent.

Sprint's PeopleSoft implementation is paying greater dividends as the company scales its growth. Because PeopleSoft dramatically improves performance while lowering costs, bringing new business opportunities onto the architecture will only add to Sprint's savings. And because PeopleSoft enables Sprint to manage its entire corporate spend, all of these cost savings contribute directly to Sprint's bottom line.

For more information about PeopleSoft Financials, please visit:  
[www.peoplesoft.com/go/financials](http://www.peoplesoft.com/go/financials).

## Glossary of Abbreviations

**CFO:** Chief financial officer

**FON:** Stock-ticker symbol for Sprint's local, long distance, and global divisions

**FSS:** Finance Shared Services, a department within Sprint

**IBSC:** Integrated Business Solution Center, a department within Sprint

**IT:** Information technology

**LDD:** Long Distance Division (within Sprint)

**LTD:** Local Telephone Division (within Sprint)

**NPV:** Net present value

**PCS:** Personal Communications Services, the wireless division of Sprint. PCS is also the stock-ticker symbol for this division

**PO:** Purchase order

**SCM:** Supply Chain Management, a department within Sprint

**SI:** Strategic Initiatives, group within IBSC

**T&E:** Travel and entertainment

**XMS:** Expense management solution



**PeopleSoft, Inc. Corporate Headquarters**

4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, *PeopleTalk*, and Vantive are registered trademarks, Pure Internet Architecture, Intelligent Context Manager, and The Real-Time Enterprise are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2003 PeopleSoft, Inc. All rights reserved.



# Implementation



## PeopleSoft Helps Drive Mint's Modernization Program

# PeopleSoft

### U.S. Mint at a Glance

- The United States Mint is the world's largest manufacturer of coins, medals, and coin-based consumer products (collectible coins and medals).
- Founded April 2, 1792.
- Headquartered in Washington D.C.
- Branches in Denver; Philadelphia; San Francisco; West Point, New York; U.S. bullion depository at Fort Knox, Kentucky.
- \$1.6 billion in annual revenue.
- 2,200 employees.
- Produces 16–20 billion circulating coins annually.

### Web Site

[www.usmint.gov](http://www.usmint.gov)

Government of the people, by the people, and for the people. For U.S. government agencies, the 1990s have been about transforming themselves into entities more responsive to the people they serve. From the Government Performance and Results Act of 1993, which required federal agencies to develop strategic plans for how they will deliver high-quality products and services to the American people, to the variety of initiatives advanced by Vice President Al Gore to turn government agencies into performance-based customer-driven organizations, the push has been to make government responsive to its customer, the U.S. taxpayer.

For the U.S. Mint, one of the rare government agencies that not only provides services but also manufactures products, that transformation has been a highly successful reality. And the Mint met its mandated October 1, 1998 deadline to resolve Y2K problems.

Until recently, "The Mint had a few automated systems," says U.S. Mint Deputy Director John Mitchell. But "none of them were integrated. Most were outdated and not Year 2000-compliant. If we wanted to turn our 207-year-old government bureaucracy into a self-funded, customer-focused business, we needed a first-class business system."

Under the leadership of Director Philip Diehl, the U.S. Mint, which produces 16 billion to 20 billion circulating coins annually for the United States, manufactures and sells collectable coins, and safeguards over \$1 billion of the nation's assets (including precious metals stored at Fort Knox, Kentucky, and other Mint facilities), embarked on a modernization program. Dubbed COINS (Consolidated Information System), the program consists of systems for plant and equipment maintenance, a mail-order system, a customer database management tool, and PeopleSoft.

In fact, the \$1.6 billion agency implemented 15 PeopleSoft applications in just 12 months, replacing several standalone manufacturing systems, two different financial systems, and manual record keeping. Modules used are from PeopleSoft manufacturing, supply chain, distribution, and financial management software.

## Computing Environment

- Hardware: Sun Microsystems Inc. 6000
- Database: Oracle 7.3

## PeopleSoft Products Used

### Supply Chain:

Enterprise Planning  
Production Planning  
Production Management  
Bills and Routings  
Cost Management  
Inventory  
Purchasing  
Order Management

### Financial Management for Education and Government:

General Ledger  
Receivables  
Billing  
Payables  
Budgets  
Asset Management  
PeopleTools

## Implementation Time

12 months

“With PeopleSoft—and all the systems that interface with it—we’ve automated the Mint; resolved our Year 2000 problem; shortened closing times on the financial end; and integrated our manufacturing, financial, sales, and distribution data,” says Mitchell.

### Heads or Tails

“We had to decide whether to spend millions of dollars updating what we had or to replace everything,” says Mitchell. “The decision was apparent. If we wanted to be a first-class business enterprise, we had to replace almost everything.”

Three major mainframe systems were replaced entirely. Two were financial systems, which the Mint has supplanted with PeopleSoft financial management software. A third, called NUCOS (Numismatic Coin Ordering System), was a homegrown coin-ordering system the Mint has replaced with a product called MACS (Mail Order Cataloging System) from Smith-Gardner & Associates Inc. in Delray Beach, Florida. Linked to the PeopleSoft applications through MACS is the Mint’s new customer database management tool MARCUS (Marketing Customer Service Reinvention) from DiaLogos Inc. of Boston, Massachusetts. (See accompanying story.)

A plant and maintenance system called MAXIMO from PSDI of Bedford, Massachusetts complements the realtime planning engine in the PeopleSoft manufacturing solution. With its manufacturing system in place, the Mint can better track materials, such as sheets of metal for its coin press operation, and inventory. It can also better coordinate the manufacturing of collectible coins with actual sales.

“Data integration is a major benefit of our new system,” says Mitchell. “Now, any user who needs access to decision-support data can get it from that unified system known as COINS.

“On the financial side, we’ve cut our closing time from 45-to-60 days to one day. And we can get product, and product information, out much faster.”

# Integrated System Boosts Numismatic Marketing

Every town has one. That musty little shop that sells coins, stamps, and—sometimes—even antique furniture. Although these shops can be charming, this sales venue is not exactly associated with mainstream 90s marketing. And it's not the preferred model for the U.S. Mint and its numismatic business line.

Recently minted as a self-funded federal agency receiving no government subsidy, the U.S. Mint is relying heavily on its Numismatic Coins Division to generate revenue. To accomplish its revenue goals, the Mint is looking to drive sales through retail, mass mail order, and banking channels.

In years past, U.S. bank branches carried the Mint's collectable coins. More recently, the Mint has relied on catalog sales and repeat business from its million customers. Marketing efforts, acknowledges the Mint, could be much more targeted, and it's relying on technology to bolster those efforts.

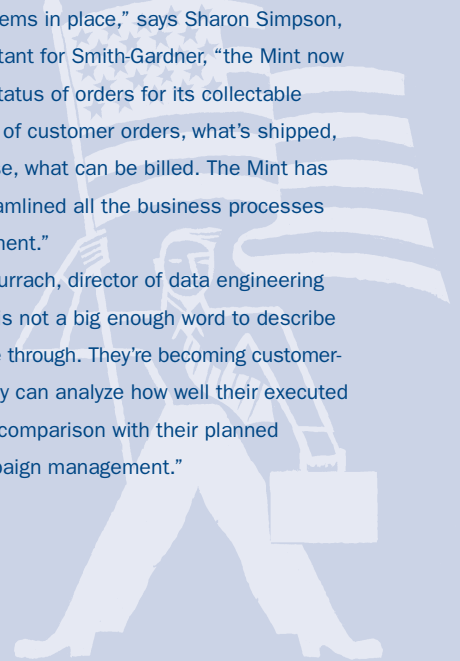
## Technology Boosts Marketing Efforts

The technology supporting the numismatic division's goals comes from PeopleSoft, DiaLogos, and Smith-Gardner. Smith-Gardner provides MACS, the mail-order cataloging system where order management and fulfillment, billing, market

analysis, and accounts receivable functions are handled. PeopleSoft provides some order fulfillment functions, inventory management, and general ledger applications. From DiaLogos comes the database management tool MARCUS, which links to PeopleSoft solutions through MACS and helps the Mint analyze the purchase patterns of its customers, so mailings can be targeted and the Mint can identify which customers purchase with regularity.

"With the new systems in place," says Sharon Simpson, senior systems consultant for Smith-Gardner, "the Mint now has visibility into the status of orders for its collectable coins—the disposition of customer orders, what's shipped, what's in the warehouse, what can be billed. The Mint has reengineered and streamlined all the business processes that affect order fulfillment."

Notes Augie MacCurrach, director of data engineering at DiaLogos, "Change is not a big enough word to describe what the Mint has gone through. They're becoming customer- and market-driven. They can analyze how well their executed programs are doing in comparison with their planned programs and do campaign management."



## A Fast Spin

The Mint signed its contract for PeopleSoft applications in September 1997 and began prototyping the software in November of that year. It met its October 1, 1998 goal of completing the bulk of its COINS installation.

"We pushed hard because we needed the functionality," says Jackie Fletcher, chief information officer for the Mint. "We were also driven by the Y2K clock. We didn't want to get into 1999 and find some unforeseen circumstance we'd have to worry about."

To help meet its timetable, the Mint used PeopleSoft's rapid implementation methodology.





**John Mitchell**  
*U.S. Mint Deputy Director*

“The flexibility of PeopleSoft’s implementation model lets you fit almost every situation into the model,” says Mike Fauscette, director of division operations for PeopleSoft Professional Services. “What’s important is for the organization to focus on its business processes—to have those drive the systems. Then prototype the systems. Keeping the system more ‘vanilla’ also helps. The Mint had only eight customizations.”

Executive sponsorship within the organization is also a plus. “I became the project manager so I could give top-level commitment and oversight to this project,” says Mitchell. “We pulled in 80 to 140 people—Mint employees from all our six facilities and our functional areas, PeopleSoft employees, vendors, and contractors. We set benchmarks we had to meet, dates that had to be met. We had an accelerated training program to educate our employees about PeopleSoft applications. Ours was a successful rapid implementation.”

“With PeopleSoft—and all the systems that interface with it—we’ve automated the Mint; resolved our Year 2000 problem; shortened closing times on the financial end; and integrated our manufacturing, financial, sales, and distribution data.”



**The Customer****Industry:** Government**Geographics:** North Dakota**Employees:** 8,500**Population:** 640,000**Budget:** \$5 billion**PeopleSoft Solutions**

PeopleSoft Financial Management

PeopleSoft Human Capital  
Management

PeopleSoft Student Administration

PeopleSoft Enterprise Portal

**Implementation Team**

MAXIMUS, Inc.

**“Our goal is to provide all our agencies with the information they need to make sound business decisions on behalf of our state. PeopleSoft is going to get us where we need to be as quickly and as cost-effectively as possible.”**

**—Pam Sharp**

Interim Director, Office of Management and Budget



## The State of North Dakota

**Business Challenge**

To accelerate turning its eGovernment initiative, ConnectND, into a reality, the State of North Dakota needed to replace its aging mainframe with an online system to connect 58 government agencies and 11 higher education institutions.

**PeopleSoft Solution**

The State of North Dakota selected PeopleSoft and the integrated pure internet approach—including Financial Management, Human Capital Management, Student Administration, and Enterprise Portal. The new system will connect online business processes across dozens of state agencies and higher education institutions to form a single enterprise solution.

**Business Benefits**

With PeopleSoft, the State of North Dakota will:

- Streamline financial business processes for both government agencies and higher education institutions.
- Improve decision making because its agencies and universities can share information.
- Lower operating costs through more automated and efficient processes.
- Improve service to North Dakota students, citizens, and businesses with real-time information, a single source of financial truth, and integrated processes.

**Quantifiable Benefits**

- Annual savings of \$7.9 million as a result of eliminating duplicate systems, implementing a statewide integrated system, automating workflows, and improving business processes.
- Annual savings of \$2 million from implementing human resources self-service applications.
- Connecting financials of 58 government agencies and 11 institutions of higher education.

## North Dakota Connects Government and Education Financial Processes with PeopleSoft

Although many states have embarked on eGovernment initiatives in recent years, North Dakota's ConnectND initiative is unique. Rather than use multiple systems to run its public agencies and higher education institutions, North Dakota upgraded to a single solution to run both. PeopleSoft provides the foundation for ConnectND, connecting 58 government agencies and 11 institutions of higher learning on an integrated system consisting of PeopleSoft Financial Management, Human Capital Management, Student Administration, and government and campus portals.

"PeopleSoft is the only provider that offered a complete student administration system as well as full financial and human resources systems for university employees and for state agencies," says Curtis Wolfe, chief information officer, State of North Dakota. "The new system will make it easier to share information and enable effective, real-time workflow across agency lines."

### Integrated Solution Delivers Cost Savings, Flexibility

Before PeopleSoft, North Dakota operated 200 state agency and student administration systems using 20-year-old mainframes and manual processes. By integrating statewide systems and standardizing on PeopleSoft's best-practice business processes, the State will save nearly \$9.9 million annually through decommissioning of legacy systems and continuous process improvements.

"We felt PeopleSoft met the needs of state government very well," says Pam Sharp, the interim director of North Dakota's Office of Management and Budget. "Now we can have a financial system for both state government and higher education. Even though our agency business needs are totally different than those on campus, PeopleSoft was flexible enough to allow for those differences and let us build the same system for everyone."

### Establishing a Single Source of Truth for Compliance Reporting

A key driver behind North Dakota's upgrade to PeopleSoft Financial Management was compliance with the Government Accounting Standards Board (GASB) Statement 34. GASB 34

will improve the transparency and usability of state financial information through rigorous new financial reporting standards. To comply with GASB 34, North Dakota needed to automate key processes and standardize on a single source of the financial truth.

"So much more information is needed for GASB 34," says Sharp. "Before, we downloaded information from our mainframe system and manually typed the financial data into spreadsheets. But it still didn't provide all the information we needed. PeopleSoft's reporting system will make our lives much easier."

### Using Best Practices to Transform Internal Control Processes

PeopleSoft is changing the way the state does business through best practices that have transformed internal control processes. Workflow, authorizations, and commitment control have replaced manual steps with online source to settle business processes.

"PeopleSoft workflow and user-based authorization controls are exactly what we need and fit perfectly with how we are changing the way we do business based on best practices," says Sharp. "Instead of using paper, we anticipate that most authorizations will be done online and our vouchers will be online."

### Delivering Real-Time Information for Lawmakers

The Office of Management and Budget will provide detailed financial and performance information to the state legislature so that they can quickly make key legislative decisions.

"ConnectND combines financials for state government and the university system," says Sharp. "Now we are looking forward to the day when legislators can access role-based financial information through a portal."

"Our goal is to provide all our agencies with the information they need to make sound business decisions on behalf of our state. PeopleSoft is going to get us where we need to be as quickly and as cost-effectively as possible. The agencies are very excited about having PeopleSoft software," Sharp adds. "We've had a really positive experience."



**PeopleSoft, Inc. Corporate Headquarters**  
4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, PeopleTalk, and Vantive are registered trademarks, and Pure Internet Architecture, Intelligent Context Manager, and The Real-Time Enterprise are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2003 PeopleSoft, Inc. All rights reserved.

5081-0603

<http://chronicle.com/free/2002/05/2002051401t.htm>

## **In North Dakota, State Colleges and the Government Plan to Share an Information System**

By FLORENCE OLSEN

North Dakota higher-education and government officials have agreed to pool their resources to buy and share a consolidated information system that could cost the state more than \$30-million. Higher education will pay 60 percent of the cost, and the government will pay 40 percent.

The new system, which is being purchased from PeopleSoft Inc., will manage financial, human-resources, and student data for the entire state government and for all 11 public higher-education institutions in North Dakota. The administrative system for higher education that the new software will replace is more than 20 years old.

"We've needed this for well over a decade," says Ellen E. Chaffee, president of Mayville State and Valley City State Universities, which will be the first two institutions to run the new software.

The state has imposed new accountability measures, she says, that require public universities to report more precise figures for costs and more accurate counts of full-time-equivalent students. The state also wants colleges to provide better numbers on nontraditional students who take distance-education courses, often from more than one university in the state, to earn a degree.

"Right now, we're doing a huge amount of work by hand to provide them with those numbers," Ms. Chaffee says, because the older administrative software shared by the university system's institutions was never designed to generate those figures automatically.

So far, the legislature has given the statewide project \$7.5-million in seed money. The State Board of Higher Education has approved a new student fee of \$42 per semester for one year to pay for some of the initial costs of the new system, says Grant Crawford, the chief information officer for the North Dakota University System. And when the legislature convenes again in 2003, lawmakers may consider revenue bonds as an additional source of financing for the system, which will serve about 32,000 full-time students and 19,000 higher-education and state-government employees.

Federally mandated financial-aid changes that must be made by June 30, 2004, would have required a \$1.5-million reprogramming effort to make the current higher-education system compliant, Mr. Crawford says.

Even the new PeopleSoft system may require some customization of its software code, he says. The system could be called upon, for example, to generate a tuition bill, financial-aid package, and transcript for a student who may be enrolled in distance-education courses offered by several public universities in the state.



PeopleSoft was the first choice of a selection team for the new system. But a brief controversy ensued when the state's governor, John Hoeven, a Republican, intervened on behalf of a competing provider, Microsoft Great Plains Software, based in Fargo, N.D. Great Plains Software was acquired by the Microsoft Corporation in April 2001.

After a six-month study and a 400-page report, which Mr. Crawford describes as "a somewhat painful exercise," the selection team demonstrated that the Great Plains business software would not meet the system requirements by the deadline for which a new administrative system has to be operating. The PeopleSoft bid satisfied "better than 98 percent" of the system requirements, Mr. Crawford says, and Governor Hoeven eventually upheld awarding the contract to PeopleSoft.

The governor's intervention, which at the time "caused quite a few people angst," was motivated by his interest in giving a North Dakota business the opportunity to participate, Mr. Crawford says. "We've got a good working relationship between state government and higher education."

In preparation for the new system, Mr. Crawford says, North Dakota's state universities and government agencies already are pretty close to having an identical "chart of accounts," a feat that typically requires reaching a difficult consensus on accounting standards among or within institutions. A chart of accounts is a comprehensive list of financial accounts and the codes that those accounts use to represent such information as budget period, department, fund, program, and type of transaction.

Eventually, Mr. Crawford says, state administrators also expect to integrate information from the higher-education student system with information about public secondary and elementary students.

Lee Alley, the chief information officer for the South Dakota State Board of Regents System, says he will be watching North Dakota's efforts with keen interest. "This is going to be an important experiment," he says. "Certainly there are going to be challenges," because universities' data and transactions typically differ from those of state agencies.

Using an existing Datatel administrative system, South Dakota's six public universities are beginning a \$1-million database project to help students who enroll in courses at more than one institution in the state. The database project will require the institutions to adopt more uniform practices for keeping financial and student records. (See [an article from \*The Chronicle\*](#), May 9.)

Multi-institution administrative-software systems are increasingly common. But North Dakota's joint state-government and higher-education project is unusual, says Ms. Chaffee, the Mayville State and Valley City State president.

"This is a high-stakes activity," she says, "and all of us are kind of taking a deep breath and doing whatever it takes to make this successful."

[Front page](#) | [Career Network](#) | [Search](#) | [Site map](#) | [Help](#)

# Scale

# Profile

## The Customer

**Industry:** Automotive

**Geographics:** Headquartered in Stuttgart, Germany and Auburn Hills, Michigan

**Revenue:** \$136.1 billion

**Employees:** 380,000

## PeopleSoft Products

Human Resources

eDevelopment

eCompensation

eProfile

eRecruit

## Implementation Team

PeopleSoft Consulting

**“PeopleSoft is an excellent global platform with the best functionality of any of the HR vendors.”**

—Michael Lamping

Senior Manager of HRIT Global Project Coordination

## DAIMLERCHRYSLER

### Business Challenge

DaimlerChrysler wanted to streamline internal processes and enable easy access to information so their workforce could devote more time to delivering superior customer service.

### PeopleSoft Solution

DaimlerChrysler has successfully implemented PeopleSoft 8 HRMS in North America, has begun to implement in Germany, and plans to roll out functionality to most of the rest of its more than 370,000 global employees.

### Business Benefits

DaimlerChrysler uses PeopleSoft HRMS to fulfill these business requirements:

- Establish common HR business processes around the world.
- Reduce administrative costs through workforce self-service.
- Streamline recruitment to better compete for talent in Germany and the United States.

### Quantifiable Benefits

- 12 to 20 percent efficiency gain in HR administration across DaimlerChrysler Germany.

## DaimlerChrysler Realizes a Global Vision with PeopleSoft 8 HRMS

For one of the world's largest automakers, a strategy based on global presence, strong brands, broad product range, and technology leadership means they must find ways to work more efficiently, reduce costs, and enable easy access to information. It's a big challenge for a company with a global workforce of more than 370,000. But PeopleSoft 8 HRMS is helping to make it happen.

### A Cost-Effective Global Solution

Headquartered in Stuttgart, Germany and Auburn Hills, Michigan, DaimlerChrysler has manufacturing facilities in 37 countries. They needed a global solution that they could implement cost-effectively. Only PeopleSoft 8 HRMS could deliver.

PeopleSoft Pure Internet Architecture™ gives DaimlerChrysler a single platform for deploying applications to its global workforce. "To implement truly global HR processes, we couldn't have code residing on client machines," says Michael Lamping, senior manager of HRIT global project coordination. "PeopleSoft enables us to maintain the software centrally while providing worldwide access through different kinds of PCs in different networks."

Pure Internet Architecture gives DaimlerChrysler the flexibility it needs to support its business processes around the world. "PeopleSoft is an excellent global platform with the best functionality of any of the HR vendors," says Lamping. "But it's flexible enough to adapt to the way we do business."

### Easy Access to Information

With PeopleSoft HRMS in place, DaimlerChrysler employees will have easy access to information across the enterprise. "In a company of more than 370,000 people, the big question is always, 'How can I get information from the source to where I actually need it?'" says Michael Gorriz, vice president for IT business systems. "PeopleSoft has answered that question for us by becoming our centralized source for global workforce information, delivered through the internet."

PeopleSoft collaborative applications for HRMS deliver role-based self-service that will help DaimlerChrysler employees work more efficiently. Employees can use the applications to change their home address or view a paycheck through any browser—whether they're at work, at home, in an internet café, or using a kiosk in the break room of a factory.

"We want to put control of data in the hands of the people who have the most knowledge of it," says Lamping. "Self-service will help us decrease our administrative costs while providing better service levels to the workforce."

### Competing for Talent

DaimlerChrysler's quest for superior customer service will rely heavily on their ability to attract and retain talent. "We're headquartered in Germany and the United States, two countries with aging workforces," says Lamping. "There's going to be more competition for a smaller pool of workers. So we have to make sure we're an attractive employer that can retain the best people."

With PeopleSoft eRecruit, DaimlerChrysler has eliminated much of the paperwork and delays from its recruiting process. "eRecruit enables applicants to apply for jobs online, in real time," says Gorriz. And with integrated workflow, we're now able to respond to applicants much more quickly," says Gorriz.

### A Connected Workforce

As DaimlerChrysler rolls out PeopleSoft 8, they're giving employees the tools to collaborate as they work towards corporate objectives. "To achieve our corporate vision of providing better service, we need a connected workforce that shares information," says Gorriz. "PeopleSoft helps us meet those needs. They were agile enough to move to the web at a time when other vendors didn't. And they've really delivered on their global vision, providing solutions that can be deployed worldwide. PeopleSoft fully supports our business needs across North America and Europe."

For more information on PeopleSoft HRMS, please go to: [www.peoplesoft.com/go/hrms](http://www.peoplesoft.com/go/hrms).



**PeopleSoft Inc. Corporate Headquarters**  
4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, the PeopleSoft logo, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, PeopleTalk, and Vantive are registered trademarks, and "People power the internet." and Pure Internet Architecture are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice.  
Copyright © 2002 PeopleSoft, Inc. All rights reserved.

**The Customer****Industry:** Manufacturing**Geographics:** Global with headquarters in Dearborn, Michigan**Revenue:** \$170 billion**Employees:** 347,000**PeopleSoft Products**

PeopleSoft Financial Management Solutions

PeopleSoft Enterprise Service Automation

PeopleSoft Human Capital Management

**Implementation Team**

Financial Product—Internal

**Customer Service Level**

Platinum Customer Support

PeopleSoft®

**PeopleSoft gives Ford the ability to operate globally as one company, with accounting, analysis, GAAP reporting, and statutory reporting on one system.**

**Business Challenge**

Ford Motor Company was running a disparate combination of local and regional accounting systems that created architectural and administrative barriers to the smooth operation of Ford's global finances. Many of Ford's systems were more than a decade old, required a high level of maintenance expense, and were challenging to update in a global environment. Ford needed a new, consolidated solution to standardize and streamline global financial business processes and achieve a single version of the financial truth for consistent data and actionable business insights.

**PeopleSoft Solution**

Ford chose to upgrade and standardize on PeopleSoft Financial Management Solutions to establish global accounting processes with a single database located in Dearborn, Michigan. PeopleSoft helped Ford establish a common chart of accounts with consistent financial business processes, accessible on a browser, across 22 countries in more than 120 locations.

**Business Benefits**

Ford is realizing the following benefits with PeopleSoft Financial Management Solutions:

- Greater consistency of financial and statutory reports thanks to common data, business processes, chart of accounts, and controls.
- Improved financial visibility into costs, markets, and profitability with a single, global financial database for both accounting and analysis.
- Greater financial accountability through the deployment of standard controls, common business rules, and a user-consistent interface.
- Streamlined global financial and statutory reporting with multicurrency functionality.
- Reduced IT maintenance and business process support costs due to PeopleSoft Pure Internet Architecture™ and industry best practices.

**Quantifiable Benefits**

- Eliminated the need to individually service 4,000 global workstations.
- Consolidated 60 disparate accounting systems worldwide into a single global database.
- Serves more than 500 business units with access to accurate, consistent information.

## Ford Motor Company **Drives Consolidated Global Financials with PeopleSoft**

Although Ford Motor Company is synonymous with American manufacturing, international sales play an increasingly important role in the automaker's \$170 billion revenue stream, thanks to global brands like Land Rover and Volvo.

So when it became time to create a global accounting system, Ford chose PeopleSoft. PeopleSoft Pure Internet Architecture tied together Ford's disparate financial systems in 22 countries, providing the automotive giant with a single, consistent view of financial information to improve control and gain visibility into its global finances.

Ford had disparate systems and general ledgers throughout the company with high maintenance costs. It ran a global accounting organization but didn't have a single, global accounting system to support financial operations worldwide. PeopleSoft helped globalize the accounting system architecture to match the organization.

By standardizing on PeopleSoft's single database, global business processes, and industry best practices, Ford's global finance team has fast, reliable access to the financial information needed to drive the automaker's worldwide business strategies.

### **Speaking a Common Accounting Language Around the World**

Ford used to operate with 60 accounting systems worldwide, many of which used different charts of accounts. That changed with PeopleSoft pure Internet financial applications.

PeopleSoft gives Ford the ability to operate globally as one company with accounting, analysis, GAAP reporting, and statutory reporting on one system. Ford has a higher level of confidence in the numbers because once a location closes its books, the data is available in the same format and in a common accounting language. When accountants speak about certain accounts or transactions, they are communicating consistently and there's little misinterpretation of what's being discussed.

### **Common Data and Processes Reduce Errors, Increase Accountability**

PeopleSoft helps strengthen the company's position through the renewed confidence that comes from knowing that the accounting is performed with consistent processes around the world.

Before PeopleSoft, the process had more potential failure points because data needed to be reconciled, controlled, and measured. Now that Ford has the same database controlled by a central team with common processes, it has mitigated the failure opportunities.

### **A Consistent Picture Across Regions and Brands**

Of the 4,000 employees using Ford's new global accounting system, about 3,000 are financial analysts. PeopleSoft has enabled Ford to tie accounting and financial processes together into a single system.

The diversity of Ford's accounting systems did not enable a consistent picture across regions or brands. With PeopleSoft, Ford financial analysts now have a consistent picture into the company's costs, markets, and profitability. Their ability to look into the detail and make connections has significantly improved.

### **High Maintenance Costs a Thing of the Past**

PeopleSoft Pure Internet Architecture also eliminates the need for Ford to update financial application software across its 4,000 workstations and diverse IT infrastructure with systems in 22 countries and 120 locations. Ford can now roll out software, patches, tools, and improvements more efficiently and quickly.



**PeopleSoft, Inc. Corporate Headquarters**  
4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, PeopleTalk, and Vantive are registered trademarks, and Pure Internet Architecture, Intelligent Context Manager, and The Real-Time Enterprise are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2003 PeopleSoft, Inc. All rights reserved.

4722-0103

## Hewlett-Packard Streamlines Global HR with PeopleSoft 8 HRMS

### The Customer

Hewlett-Packard Company (HP) is a global provider of computing and imaging solutions and services for business and home. HP had total revenue of \$45.2 billion in its 2001 fiscal year, and is ranked number 13 in the Fortune 500 and number 41 in the Global 500. Headquartered in Palo Alto, California, HP was founded in 1939. Today, HP employs 90,000 people in over 120 countries.

[www.hp.com](http://www.hp.com)

### PeopleSoft Products

#### PeopleSoft HRMS

- Human Resources
- Payroll for North America
- Benefits Administration
- Time and Labor
- eBenefits
- eDevelopment
- ePay
- eCompensation
- eProfile
- eRecruit

#### PeopleSoft CRM

- CRM Support

### Computing Environment

- Hardware: HP 9000
- Database: Oracle 7.3.2.2.0
- Operating system: HP/Unix

### Implementation Services

PeopleSoft Consulting



From 25 servers to 10. From four geographic instances of HR software to one. At least \$3 million in annual savings for hardware, software, databases, and maintenance. These are some of the benefits Hewlett-Packard's HR department expects from its global upgrade to PeopleSoft 8 HRMS. For the first time, HP will deploy a global HR solution from one location and enable universal access to the system—all at a reasonable cost.

The upgrade couldn't have come at a better time. HP's management has asked employees to reduce costs by \$1 billion within two years.

"In PeopleSoft 8 HRMS, HR found a technology platform that would provide better service at a lower cost," says Steve Rice, director of HR global enterprise programs and technology at HP. "PeopleSoft 8 gives us a web-based architecture that will be deployed globally to streamline HR operations around the world. It's a cornerstone of how we're going to improve value and decrease costs for our organization. This upgrade will standardize HR processes in eight different languages for all of our 90,000 employees in over 120 countries."

### A Clear Choice

This upgrade is the latest stage of a long relationship between PeopleSoft and HP. "We've had a great partnership with PeopleSoft since the early nineties," says Rice. "That's why we trust PeopleSoft technology to help us meet our goals."

The "install centrally, run globally" capabilities of PeopleSoft 8 HRMS made it a clear choice for HP. PeopleSoft gives HP a single, global platform that will reduce administrative complexity and enable common business processes. "We wanted to push information out to employees and managers and put them at the center of what we call the HP ecosystem," says Rice. "And we wanted to drive industry standard business processes across the organization—without running into technology barriers."

It's all possible through the PeopleSoft Pure Internet Architecture™. With no code on the client, PeopleSoft 8 gives HP employees instant access to global HR information through any web browser. They'll get the information they need to make strategic decisions. PeopleSoft's embedded workflow and applications messaging capabilities will streamline approvals and keep business processes moving. And PeopleSoft's open integration with third-party systems will make it easier for HP to use existing solutions.

HP has relied on PeopleSoft Consulting in key project areas. "The PeopleSoft Consulting team has been instrumental in helping us understand how to best use PeopleSoft 8," says Rice.



### One Global Platform

Working on one global platform will have far-reaching benefits for HP. "This implementation isn't just about software," says Rice. "It's about changing the way we deliver HR services across our enterprise. To achieve the full benefit of the best practices built into the software, we've been adapting our processes to fit PeopleSoft, rather than forcing the software to fit our processes."

Many of the process improvements will affect how HP deploys its HRIT personnel. "During the upgrade, we've realized that most of our resources don't need to be closely tied to a business organization," says Rice. "By going to a shared services model, we can actually move or reduce our call centers." With a more streamlined hierarchy, HP has reduced its HR headcount by 155 full-time employees.

HP's flexibility has enabled the company to implement software that's 90 percent vanilla. The only customizations will be to accommodate country-specific laws and business rules.

### Anywhere, Anytime Access

The pure internet architecture of PeopleSoft 8 will give HP employees easy access to enterprise information. "Our businesses are really screaming for realtime information about their performance," says Rice. "Providing them with anywhere, anytime access to information will increase their efficiency and support their strategic decision-making."

From anywhere in the world, on any web-enabled device, HP employees can simply open a browser to use self-service applications. "We're delivering information and transactions in a way that's meaningful for each employee," says Rice. "Yet because of the simplicity and openness of the architecture, we're actually decreasing the resources we have to devote to maintenance and support."

### Bottom-Line Savings

How will these architectural improvements contribute to HP's ongoing effort to eliminate \$1 billion in infrastructure costs? HP has already begun to make better use of its personnel, thanks to PeopleSoft. "I've already re-deployed 40 developers from our organization," says Rice. "I looked for where there was work being done that didn't contribute to our PeopleSoft 8 strategy, and was able to make an immediate change."

Rice has also calculated some hard-dollar savings, and is impressed with the early results. "With PeopleSoft 8 HRMS, we'll immediately save \$3 million per year in hardware, software, database, and maintenance costs," he says. "For example, our global installation only requires 10 servers instead of 25. By reducing our server maintenance workload, we'll be channeling dollars right back into our bottom line."

"With PeopleSoft 8 HRMS, we'll immediately save \$3 million per year in hardware, software, database, and maintenance costs. For example, our global installation only requires 10 servers instead of 25. By reducing our server maintenance workload, we'll be channeling dollars right back into our bottom line."

#### Steve Rice

Director of HR Global Enterprise Programs and Technology, Hewlett-Packard



#### PeopleSoft Inc. Corporate Headquarters

4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, the PeopleSoft logo, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, PeopleTalk, and Vantive are registered trademarks, and "People power the internet." and Pure Internet Architecture are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2002 PeopleSoft, Inc. All rights reserved.

9597-0102



## The Customer

**Industry:** Government

**Geographics:** Capitol in Albany, New York

**Employees:** 250,000 employees in New York State government agencies, the State University of New York, and the City University of New York

## PeopleSoft Products

PeopleSoft Human Resources

PeopleSoft Payroll

**“We have one of the largest state payrolls in the country. It delivers \$440 million every two weeks, so it’s critical to the state’s economy. We rely on PeopleSoft to help us keep it running efficiently and cost-effectively.”**

**—Margaret Sherman**

Deputy Comptroller for Payroll and Revenue Services



## Business Challenge

With responsibility for a large, complex payroll system, the State Comptroller continually strives to keep the payroll running efficiently and cost-effectively.

## PeopleSoft Solution

The State Comptroller is currently upgrading to pure internet PeopleSoft Payroll to launch employee self-service, reduce customizations, improve business processes, and streamline operations.

## Business Benefits

The State Comptroller uses PeopleSoft applications to fulfill these business requirements:

- Manage a 293-agency payroll system that delivers 250,000 paychecks biweekly.
- Implement collective bargaining contracts for 46 unions representing 110 bargaining units.
- Exchange information through 269 system interfaces.
- Deliver key payroll metrics, helping agencies improve timeliness and accuracy of payments.

## PeopleSoft Pays Off for the New York State Comptroller

A quarter of a million New York State employees count on receiving their paychecks every two weeks from the Office of the New York State Comptroller. Behind the scenes, the State Comptroller implements collective bargaining agreements with 46 unions representing 110 bargaining units, processes 753 different types of payments (overtime, location pay, shift differential, and so on), exchanges data and funds with seven different retirement systems, and deducts contributions for a myriad of health and dependent benefits.

“We have one of the largest state payrolls in the country,” states Margaret Sherman, deputy comptroller for Payroll and Revenue Services. “It delivers \$440 million every two weeks, so it’s critical to the state’s economy. We rely on PeopleSoft to help us keep it running efficiently and cost-effectively.”

### Privacy and Productivity

As the office that sets New York State standards for internal control, the State Comptroller places high importance on information security and the privacy of personal employee information. “The security that’s built into PeopleSoft has certainly helped,” explains Sherman. “And we’ve been able to upgrade the types of checks and W-2s that we print. Now we are able to provide sealed checks and W-2s and mail them to home addresses.”

With the recent downturn in the economy, it is even more critical for the State Comptroller to streamline payroll processes. PeopleSoft has helped in this effort by enabling the office to analyze payroll transactions for trends. The payroll bureau provides statistics for the agency payroll offices, which they can use to compare certain performance measures, such as the length of time required to put a new hire on the payroll.

“PeopleSoft has made it possible for us to get that information,” says Sherman. “That’s pretty powerful. You start to see improvement in those statistics because people now have that performance measurement data. We’ve targeted the timeliness of initial paychecks, as well as the accuracy of payments to employees leaving the payroll. In one year, we’ve seen improvements of about 20 percent.”

### A Big Pay Off With PeopleSoft

The State Comptroller is currently upgrading to pure internet PeopleSoft Payroll to improve business processes and add functionality such as employee self-service. It also expects to significantly reduce customizations in key areas, such as garnishments and deferred compensation. Eliminating the customizations from garnishments alone avoids estimated costs of \$1 million.

The payroll bureau plans to use workflow to manage its responsibility for auditing payroll transactions. “Our staff is excited about the possibilities in workflow,” states Sherman.

Long term, the State Comptroller anticipates improved data sharing between that office and the Department of Civil Service, which split the processes for human resources and payroll. “We’d like to offer one-stop shopping for employee self-service. We look forward to savings in printing and distribution of direct deposit advices once our employees are comfortable with self-service,” says Sherman.

The State Comptroller expects to have the new PeopleSoft solution up and running with 2,000 users by August 2003. “We’re very positive about the functionality in PeopleSoft,” she adds. “We’re looking forward to even more improvements when we upgrade to a web-based system.”



**PeopleSoft, Inc. Corporate Headquarters**  
4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, PeopleTalk, and Vantive are registered trademarks, and Pure Internet Architecture, Intelligent Context Manager, and The Real-Time Enterprise are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2003 PeopleSoft, Inc. All rights reserved.

4904-0303

## **U.S. Department of Defense Expands Relationship with PeopleSoft**

### **PeopleSoft Awarded \$11.2 Million Contract Targeted to Manage DoD's \$100 Billion Annual Military Payroll**

**PLEASANTON, Calif. – July 31, 2002** – PeopleSoft Inc (Nasdaq: PSFT) today announced that The U.S. Department of Defense (DoD) has expanded its current relationship and reaffirmed its commitment to PeopleSoft by awarding an \$11.2 million contract for PeopleSoft's solutions. PeopleSoft's industry-leading Human Resources Management System (HRMS) applications, part of PeopleSoft's Human Capital Management (HCM) solutions, provide the foundation for DoD's Defense Integrated Military Human Resources System (DIMHRS). With an annual payroll of \$100 Billion serving more than 3.1 million members, DIMHRS will become the single largest payroll system in the world.

"The DoD is replacing more than 80 legacy systems to provide our service men and women with one flexible, fully-integrated human resource system," said Navy Captain Valerie Carpenter, DIMHRS program manager. "PeopleSoft's pure Internet HRMS solution will facilitate a quantum leap in end user satisfaction. It will eliminate the current gaps in our disparate systems and help reach military members located around the world in real time."

In drastic contrast to traditional DoD processes, DIMHRS allows the Defense Department to electronically track personnel as they progress through the ranks, move into reserved units, retire or even re-enter other military branches. PeopleSoft's global, HRMS solution will enable military personnel to receive pay statements, select benefits, and update records from anywhere in the world. This fully integrated personnel and payroll solution will unify all active and reserve branches of the military including Army, Navy, Air Force, and Marines as well as National Guard commands under the Pentagon's Global Combat Support System (GCSS). The unified HR system eliminates the need to maintain numerous legacy systems, saving the DoD significant time and money.

"Another great benefit afforded by DIMHRS will be the ability for joint forces mission commanders to quickly scan the entire DoD for experts with specific mission critical skills needed for today's global peace keeping operations. For example, our military forces are continually called upon to enter regions of the world that speak vastly different languages," explained Carpenter. "With the PeopleSoft HRMS solution, commanding officers will be able to immediately identify service members throughout the entire DoD who have the language skills needed and are available for deployment."

Military personnel can instantly access key human resources information using a standard web browser. Previously, a commanding officer granting a promotion was required to manually file paperwork with multiple branch offices in order to activate a salary change. PeopleSoft HRMS will drastically shorten the process by eliminating paperwork and triggering an immediate pay increase as soon as a request is entered into the system, resulting in greater accuracy in pay rates and increased user satisfaction.

*"As the largest payroll organization in the world, the Department of Defense needs a scalable, integrated human resource solution,"* said Kevin Horigan, managing director, PeopleSoft Education and Government. *"PeopleSoft's pure Internet solution will cost-effectively transform DoD's processes, giving them significant operational efficiencies."*

## **NAVY INSTALLS LOCKHEED MARTIN-DEVELOPED PERSONNEL SYSTEM AT 570 SHIP AND SHORE SITES**

SEABROOK, MD, June 18, 2003 - A new U.S. Navy enterprise personnel system developed by Lockheed Martin (NYSE:LMT) has now been installed at all 570 planned Navy ship and shore sites.

The Navy Standard Integrated Personnel System (NSIPS) replaces several outdated pay and personnel management processes. It is based on a customized version of the commercial enterprise application PeopleSoft(R). The system combines several databases and streamlines data entry and access by field-level Navy personnel.

Active duty and reserve forces are now using the system's personnel features. The payroll components are operational at all reserve locations and at four active duty sites. The four include Personnel Support Detachments at the Recruit Training Center and the Naval Training Center, Great Lakes, Ill.; Point Loma, Calif.; and Guam.

With the final installation aboard the Aegis guided missile destroyer USS WINSTON CHURCHILL, NSIPS has been implemented now on 171 ships and at 399 shore locations.

Linda Gooden, President of Lockheed Martin Information Technology, praised the NSIPS team's milestone achievement. "My congratulations to this team whose dedication and hard work have delivered an excellent software product that will greatly ease the Navy's personnel management process. This marks an outstanding achievement," she said.

The pay component will be approved to go operational at other active duty sites pending a Navy production milestone decision in July. An operational evaluation of the component was recently concluded. A new web-enabled version of NSIPS is awaiting approval for integration with the Navy Marine Corps Intranet (NMCI). Expected to go live next month, NSIPS will be the first enterprise-wide application to fully operate within NMCI.

The web version is based on PeopleSoft 8.3 and Oracle 9i and has full personnel and pay capabilities. The system includes Electronic Records Management functions. This will give Active Duty personnel support detachments and Naval Reserve activities, as well as individual service members, access to service records.

Lockheed Martin Information Technology, headquartered in Seabrook, Md., provides enterprise IT solutions to meet the needs of government agencies and commercial clients. The company holds world-class core competencies in enterprise architecture, knowledge management, managed services and information security.

Headquartered in Bethesda, Md., Lockheed Martin employs about 125,000 people worldwide and is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. The corporation reported 2002 sales of \$26.6 billion.

Media Contact: Joe Wagovich, (301) 352-2692; e-mail, [joseph.m.wagovich@lmco.com](mailto:joseph.m.wagovich@lmco.com)

# Return on Investment (ROI)

# Profile

## The Customer

**Industry:** Public Sector

**Geographics:** Austin, Texas

**Budget:** \$15 billion

**Employees:** 850

**Students:** 4 million

## PeopleSoft Products

Enterprise Service Automation

Financials

Enterprise Performance  
Management

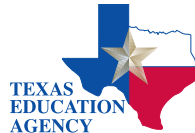
Customer Relationship  
Management

Treasury Management

**“This was undoubtedly the most painless bill submission, TEA was so quick to approve and process my invoice. I like the system so much and again want to thank all of those involved in creating this system for the hearing officer’s immediate usage. I am proud to be one of the first to get to use it. It is excellent!”**

**—Mary Carolyn**

A hearing officer and attorney, in an email to TEA.



## Business Challenge

The Texas Education Agency needed a better, more cost-effective way to manage service contracts and service suppliers.

## PeopleSoft Solution

TEA implemented PeopleSoft Services Procurement, part of the ESA solution, to manage its contracts and promote online collaboration with its suppliers.

## Business Benefits

With PeopleSoft Services Procurement, TEA:

- Pays suppliers faster because it has eliminated the old paper-based process.
- Has access to real-time data on supplier cost, quality, and efficiency, so it can make better, faster decisions.
- Expects to save over \$1 million a year.
- Opened its system to suppliers, so they can now do business online in real-time.

## Texas Education Agency Goes Live on PeopleSoft Services Procurement

For Bill Monroe, chief of operations for the Texas Education Agency (TEA), PeopleSoft Services Procurement was exactly what his organization needed. “It was instant recognition. The light bulb went on right then and there,” he says.

Monroe says Services Procurement gives his administrators more control over contract stipulations and supplier payment. His goal — one he expects to beat — is to save 2 percent, or \$1 million per year.

“Everyone involved is starting to operate on a much improved level,” Monroe says. “PeopleSoft had tremendous vision to come up with a module that spans a lot of business areas. This is exactly what all organizations need to focus on.”

### Online Invoicing

Services Procurement helps TEA with time capture, invoicing and payment, and with data analysis and reporting. And because it's built on the PeopleSoft Pure Internet Architecture™, all of these functions are online.

Using Services Procurement, TEA has extended its service automation system to its service suppliers. Each supplier has its own webpage linked to TEA, where it enters time and tracks deliverables, and sends an invoice to TEA for approval.

In the first week of operation, TEA had 27 vendors online managing millions of dollars via their own webpage provided by TEA. Invoices went directly to TEA for approval and payment. It's a paperless, time-saving, and more accurate process. The suppliers get paid faster, and TEA doesn't have to wade through paper or dig for project data because all of the data is in one place. Even its suppliers agree.

“This was undoubtedly the most painless bill submission,” says Mary Carolyn, a hearing officer and attorney, in an email to TEA. “TEA was so quick to approve and process my invoice.

I like the system so much and again want to thank all of those involved in creating this system for the hearing officer's immediate usage. I am proud to be one of the first to get to use it. It is excellent!”

“People are hamstrung by paper-based processes and slower-than-necessary turnaround times,” says Bill Monroe. “This takes a lot of the pain-in-the-neck out of managing contracts. By connecting our suppliers to our business, we eliminate the problems associated with incompatible systems. They get paid faster and are much happier.”

### Data Analysis

Beyond invoicing and payment, Services Procurement will help TEA analyze relationships with its suppliers — cost, quality, and efficiency. TEA performs a thorough evaluation annually, but its current systems can't support regular analysis. With Services Procurement, TEA can easily access supplier data, instantly analyze it, and make more informed purchasing and program content decisions.

“By being able to analyze the data and report on it, the magnitude of value could be a hundredfold,” Monroe says. “We'll have real-time data online so people can make smarter choices. Having historical data at our fingertips makes us nimble.”

“The more work we do to improve our relationships, the more successful we'll be in education,” he says. “So much of the internet is focused on retail-side, but the real value is in business-to-business communication. PeopleSoft had the vision to use the internet to promote that collaboration among the people we do business with everyday. That's where we'll benefit most.”



**PeopleSoft Inc. Corporate Headquarters**  
4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, *PeopleTalk*, and Vantive are registered trademarks, and Pure Internet Architecture is a trademark of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2002 PeopleSoft, Inc. All rights reserved.



## Texas Education Agency receives high marks for performance-management

THE TEXAS EDUCATION AGENCY (TEA) IS responsible for how \$14 billion in state and federal funds is spent to educate the state's 3.9 million elementary- and secondary-school children. It bases its "report card" on public education on more than 90 key performance indicators. By implementing PeopleSoft 8 Enterprise Performance Management (EPM), TEA can now measure performance more effectively and efficiently. The move to a data warehouse architecture has streamlined data collection, increased analysis capabilities, and improved the timeliness and accuracy of its results. The project also includes a Web-based interface to its reports, which has allowed the agency to broaden the audience for this vital data while simultaneously simplifying its distribution.

The architecture of TEA's EPM data-warehousing system consists of data sourced from PeopleSoft Financials, DB2, Microsoft Access, a time-and-labor FoxPro application developed in-house, the Student Assessment System, and the Performance Educational Information Management System (PEIMS).

## Automating Data Loading

The top challenges involved in designing and implementing the data-warehouse solution were the diversity of data to be maintained, the decentralization of data collected, and the archaic data-collection methods in place. Data feeds originated in legacy systems, DB2, and TEA's financial system. More information was collected from phone logs and reports on school visits. Data collection was intensely clerical, manual, and time consuming.

The new process assigns ownership of certain performance indicators to individuals, who each maintains a spreadsheet that covers the performance indicator he or she owns. These spreadsheets reside in a common directory on a shared net-work drive. On a quarterly basis the 30-plus spreadsheets are imported into a Microsoft Access table of consolidated performance indicators, then extracted into the data warehouse where the data is available for analysis.

TEA also uses PeopleSoft's Balanced Scorecard and Activity Based Management solutions, which are uniquely qualified to provide performance assessment that spans employee, business-process, and customer operations.

## Room to Grow

By relying on EPM for its data analysis needs, TEA was able to identify more performance measurements and to successfully manage that increased number of indicators. The system's Web-enabled interface has allowed the agency to distribute its information to a larger number of end users as well, both within the agency and within the State Legislature - TEA's ultimate customer. By eliminating the costly business of printing and distributing hard-copy reports, TEA saves money as it better serves its customers.

Users benefit from the new system through faster distribution of measurement results, in addition to receiving more in-depth performance analyses. Instead of sitting through Microsoft PowerPoint visual presentations, legislators view reports and scorecards when and where they want to over the Internet, in a variety of reporting styles.

By investing in PeopleSoft, TEA also has acquired a system that will grow with its strategic initiatives and support numerous ways for the agency to improve operations, stakeholder value, and employee satisfaction.

## PeopleSoft

**The Customer:** Texas Education Agency

**Customer Contact:** Bill Monroe, Chief of Operations

**The Application:** Data warehouse

**Tools and Technology:** PeopleSoft Enterprise Warehouse, PeopleSoft Analytic Applications, PeopleSoft Balanced Scorecard, PeopleSoft Activity Based Management, PeopleSoft Financial Analytics

**Platforms:** Windows NT 4.0 Server

**Primary IT Vendor:** PeopleSoft Inc., 4460 Hacienda Dr., Pleasanton, CA 94588-8618; 800-380-7638, 925-225-3000, fax 925-694-4444

[www.peoplesoft.com](http://www.peoplesoft.com)



## The Customer

**Industry:** Computer Hardware

**Geographics:** Headquartered in Palo Alto, California

**Revenues:** \$78.8 billion

**Employees:** 145,000

## PeopleSoft Products

PeopleSoft Human Capital Management

Benefits Administration

Human Resources

Payroll for North America

Time and Labor

eBenefits

eCompensation

eDevelopment

ePay

eProfile

eRecruit

PeopleSoft Customer Relationship Management

## Implementation Team

PeopleSoft Consulting

**“With PeopleSoft 8 HCM, we’ll immediately save \$3 million per year in hardware, software, database, and maintenance costs. By reducing our server maintenance workload, we’ll be channeling dollars right back into our bottom line.”**

—Steve Rice

Vice President Americas, HR Functions and Shared Services



## Business Challenge

Hewlett-Packard (HP) recently began to look for ways to cut costs. To streamline its HR processes, the company needed a single, flexible HR platform that could support a growing global workforce.

## PeopleSoft Solution

HP has successfully upgraded to PeopleSoft 8 Human Capital Management, including the new collaborative self-service applications, with the goal of establishing common HR business processes for 145,000 employees in 160 countries.

## Business Benefits

HP is using PeopleSoft HCM to:

- Establish a standardized set of global HR business processes.
- Make HR transactions and strategic information available to employees and managers around the clock.
- Gain a better view of talent, skills, and compensation across the enterprise.

## Quantifiable Benefits

- Saving \$3 million per year in hardware, software, database, and maintenance costs.
- Reduced HRMS servers from 20 to 8.
- Reduced global instances of HR software from four to one.
- Redeployed 40 full-time HRIT development staff.
- Reduced HR staff by 155 full-time employees.

## Hewlett-Packard Streamlines Global HR with PeopleSoft 8 HCM

When Hewlett-Packard asked its employees to reduce costs by \$1 billion within two years, the company realized it lacked the HRMS foundation to reach its goal. HP needed a robust, flexible infrastructure for worldwide HR transactions and information. Seeking to unite the company on a platform that would enable a high-performing, competitive workforce, HP upgraded to PeopleSoft 8 Human Capital Management. The company expects to save at least \$3 million per year through reduced hardware, software, database, and maintenance costs.

### Common Global Business Processes

“In PeopleSoft 8 HCM, we found a technology platform that would provide better service at a lower cost,” says Steve Rice, vice president Americas, HR Functions and Shared Services. “PeopleSoft 8 gives us a Web-based architecture that will be deployed globally to streamline HR operations around the world. It’s a cornerstone of how we’re going to improve value and decrease costs for our organization. This upgrade will standardize HR processes in eight different languages for all of our 145,000 employees in 160 countries.”

HP’s annual \$3 million savings will go a long way toward helping the company achieve its cost-cutting goals. PeopleSoft Pure Internet Architecture™ has enabled HP to reduce its HRMS servers from 20 to 8, move from four geographic instances of HR software to one, eliminate 155 full-time HR positions, and redeploy 40 full-time HRIT development staff.

PeopleSoft 8 HCM also gives HP a single, global platform that will enable common HR business processes around the world. HP employees and managers can log in to @HP, the company intranet, to perform common HR transactions using PeopleSoft applications. “We’ve pushed information out to employees and managers and put them at the center of the HP ecosystem,” says Rice. “And we’re driving industry-standard business processes around the world—without running into technology barriers.”

By opening a browser, HP employees get easy access to real-time information and personalized HR transactions. Managers get the information they need to run their business. “We’re delivering information and transactions in a way that’s meaningful for each employee,” says Rice. “Giving our managers real-time information about departmental performance will increase their efficiency and support their strategic decision making.”

### On Time and on Budget

With help from PeopleSoft Consulting, HP’s upgrade went live on time and on budget. “The PeopleSoft Consulting team was instrumental in helping us understand how to best use PeopleSoft 8,” says Rice. “They quickly resolved any product or technical issues we ran into.”

HP implemented the software in a configuration that was about 90 percent “vanilla,” customizing the software only to support country-specific laws and business rules. With PeopleSoft HCM, HP has established a single global reporting structure with standardized reporting tools and a global HR data warehouse.

### More Effective HR Service Delivery

Working on one global platform will have far-reaching benefits for HP. The company looks forward to easier reorganizations, acquisitions, and divestitures; improved data integrity and reporting; a better view of global talent, skills, and compensation; and a workforce that’s more closely aligned with corporate objectives.

“This implementation isn’t just about software,” says Rice. “It’s about changing the way we deliver HR services across our enterprise. Today we’re providing our employees with better tools, but because of the simplicity and openness of the architecture, we’re actually decreasing the resources we have to devote to maintenance and support.”

For more information on PeopleSoft Human Capital Management, please go to [www.peoplesoft.com/go/hcm](http://www.peoplesoft.com/go/hcm).



**PeopleSoft, Inc. Corporate Headquarters**  
4460 Hacienda Drive  
Pleasanton, California 94588 USA  
Toll-free 1 888 773 8277  
Tel 925 694 3000  
[www.peoplesoft.com](http://www.peoplesoft.com)

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, PeopleTalk, and Vantive are registered trademarks, and Pure Internet Architecture, Intelligent Context Manager, and The Real-Time Enterprise are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice. Copyright © 2002 PeopleSoft, Inc. All rights reserved.

4546-1102